

## CLIMATE CHANGE BILL: FEEDBACK ON PUBLIC COMMENTS

The Climate Change Bill is still making its way through Parliament. After extensive public hearings, the Portfolio Committee on Forestry, Fisheries and the environment is now in the process of receiving feedback from the Department regarding comments that have been received and their response to the comments. A 650-page document capturing the comments and departmental response has been made available to the portfolio committee. The department also presented its recommended proposed amendments to the Bill in response to the public comments.

### Agbiz comments

Agbiz also submitted written comments and presented to the portfolio committee during the public hearings. Most of the Agbiz comments were also captured in the 650-page report. Amongst other things Agbiz raised the point that consultation should take place prior to the adaptation objectives and indicators are determined as well as before sector strategies and plans are finalised. The department confirmed that such consultations will indeed take place.

Agbiz also stated in its submission that the updated nationally determined contribution should be used and not the 2015 version as stated in the Bill. This has been accepted and the wording in the Bill will be changed to reflect this.

Regarding sectoral emission targets, Agbiz made the point that it will be vitally important for the sector due to its structure. In sectors that are dominated by a number of identifiable, large entities, carbon budgets and the carbon tax will be the primary mechanism behind mitigation. However, the sector comprises of tens of thousands of small and medium entities that collectively, given the nature of agriculture, contribute to South Africa's GHG Emissions. To regulate the sector at a company basis will be discriminatory as the larger entities who exceed the threshold for GHG reporting, and may hence be subject to a carbon budget, only account for a portion of the industry. Sectoral Emission Targets (SETs) and the plans, policies and measures put in place by government to promote the achievement of SETs will therefore play a significant role to reduce the overall emissions of the sector. It is consequently also vital that the sector is consulted to support development of the plans, policies, plans and trajectories of different sectors within the economy. As South Africa develops and moves from an emerging market economy towards a developed nation, the economic contribution of

different sectors towards our total economy will not remain static. The SETS must likewise anticipate these changes and avoid a situation where the domestic and international competitiveness of an economic sector is artificially influenced by the carbon space allocated to that industry. Likewise, it is important to ensure a measure of equality and fairness between economic sectors when SETs are calculated and measures of government. When SETS are calculated, the Department should consider the feasible expansion plans and trajectories of different sectors within the economy. As South Africa develops and moves from an emerging market economy towards a developed nation, the economic contribution of different sectors towards our total economy will not remain static. The SETS must likewise anticipate these changes and avoid a situation where the domestic and international competitiveness of an economic sector is artificially influenced by the carbon space allocated to that industry. Likewise, it is important to ensure a measure of equality and fairness between economic sectors when SETs are calculated. The Department responded that the SETs are to be developed using the objectives and targets of policies and measures under the custodianship of the relevant government sector/department. Therefore, the costing of SETs is implied in the implementation of already existing policies and measures.

On carbon budgets, Agbiz raised concern about the punitive nature of the current carbon budget structure and stated that companies should rather be incentivised to stay within an emissions plan negotiated with government. The response was that a technical analysis done by the DFFE from reducing the current 100 000 tone CO<sub>2</sub>eq threshold to 30 000 tons CO<sub>2</sub>eq clearly shows that the companies involved in agricultural activities are not captured in the carbon budget eligibility net.

## **BUSA comments**

A number of comments by BUSA were also captured and responded to. BUSA made the general comment that South Africa is experiencing a low growth path, with sub 2% growth expected in the medium term. This has a significant impact on employment, inequality and longterm sustainability. It is important that the need for sustainable economic growth is incorporated in the principles as a key part of the just transition. Related to this, the conversation must also focus on supporting South Africa's long-term competitiveness. The department's response to this comment was that the principle of ecological sustainable economies remains central to the Bill. The matter of sustained economic growth is implied and cannot be too explicit as this is a cross-cutting policy. BUSA also made a lot of detailed comments.

## **Way forward**

Members of the portfolio committee were given an opportunity to send written questions to the department on the 650-page report. The acting chairperson of the portfolio committee indicated at the last meeting held on 22 August, that a clear funding plan was needed for effective implementation. The Department of Forestry, Fisheries and the Environment (DFFE) needed to be clear about their responsibility on the climate change response and ensure proper funding was available for local needs. The department agreed to put in an enabling provision that would state the Minister had to prescribe a financing and or support mechanism. Such an enabling provision would enable the Minister through regulation to establish a fund that could receive funds from international sources and the department.

The portfolio committee will now start deliberating on the Bill clause by clause.

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