

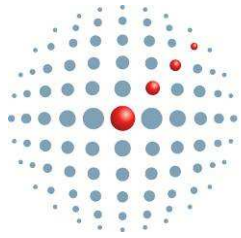


climatechange**risks**and**opportunities**

towards low carbon growth in South Africa

Protea Hotel Balalaika Sandton

6 May 2010



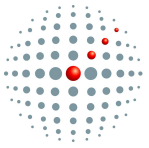
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Key Drivers for Low Carbon Growth in South Africa

Alex McNamara
Camco South Africa

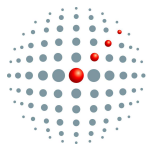
*Findings from the Climate Change Risks
and Opportunities Project*



Presentation Outline

- Project Overview
- Key Findings
- Linking to National Priorities

Project Overview



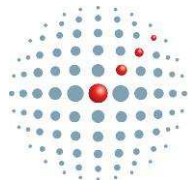
Project Overview

‘Climate Change Risks and Opportunities for the South African Economy’

- Commenced in May 2009
- Partnering with Trade and Industrial Policies and Strategies (TIPS)
- Support provided by the British High Commission
- 3 main components: research, stakeholder engagement and sector support

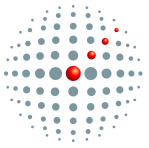


British
High Commission
Pretoria



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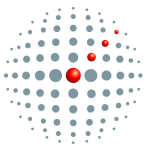


Research Background

- Assessment of risks and opportunities from climate change for South African economy
- *Excludes* physical risk (temperature increases, water availability etc.)
- Focus on *secondary* risks and opportunities
- Emphasis on how social and political pressure, and related response measures, can impact South Africa as an advanced developing country

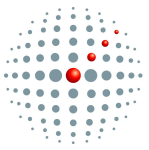
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Key Findings



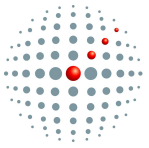
Climate Competitiveness

- Potential impacts on the economy, both positive and negative, now **far-ranging in scope**
- Climate challenge has already begun to drive **private sector vulnerability and innovation** in South Africa
- As mitigation measures intensify, reasonable to expect that **cost of carbon to be further internalised within markets** – carbon intensive countries to face increasing formal and informal competitiveness constraints
- Nations that fail to address **climate competitiveness** at risk on variety of fronts, whilst overlooking opportunities of low carbon economy



Proactive Management

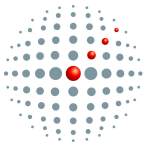
- National **risks of inaction and benefits of action** are both pronounced
- Economic and commercial **risks of 'business as usual' growth** have been underexplored and under-quantified
- Efforts to **maintain short and medium-term growth** in South Africa can no longer ignore implications of climate for business and economy more broadly
- **Proactive responses required** from key sectors of society: business, government, labour, civil society etc.
- Proactive management **desirable over and above regulatory commitments made at national and global level** (global supply chains, investors, regional regulation, consumer preferences etc.)



Global Perspective

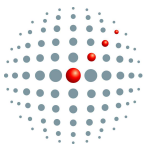
- National measures **cannot be seen in isolation**
- Critical that South Africa's mitigation response be developed in tandem with influencing **both international governmental and non-governmental action** on climate change
- Key relevance in relation to **major competitor nations in Asia and developed world**
- National efforts to be supported by appropriate interventions at international scale to support a **fair climate deal for South Africa**

Linking to National Priorities



Climate and Industrial Policy Linkages

- Number of important synergies between climate and industrial policy in South Africa:
 - Promotion of employment in capital intensive industries e.g. agriculture, power generation
 - Opportunities for increased domestic manufacturing production
 - Support for premium product development and value addition
 - Ensuring continuing market access for exports
 - Further development of advanced knowledge based economy

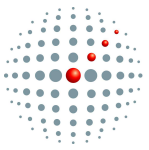


A High Growth, High Employment, Low Carbon Economy

- Promotion of fair measures for iron and steel, cement, mining and tourism industries, as well as food and beverage exports
- **Energy efficiency** across all sectors reducing energy price risk and promoting labour intensive employment; spill-over benefits for professional services and communications industry, as well as Construction sector
- Support for reliable, affordable and safe **public transport** including Bus Rapid Transit (BRT) linked to domestic bus manufacture



Photo credit: Chris Kost, ITDP

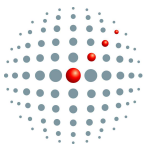


A High Growth, High Employment, Low Carbon Economy

- Gautrain supporting modal shifts whilst encouraging effective tourist access from major African airport
- Promotion of **low carbon tourism** through effective public transport, improved aviation efficiency and greened accommodation facilities, linked to accredited **community carbon offset programmes**
- **Vehicle efficiency standards** improving air quality and balance of payments

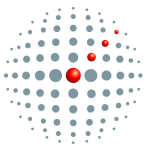


Photo credit: Gautrain



A High Growth, High Employment, Low Carbon Economy

- Promotion of **hydrogen energy** through renewables and possibly syngas / clean coal; promotion of Platinum Group Metals (PGMs) as fuel cell catalyst
- Targeted support for low carbon alternatives in **chemicals industry**
- High premium brand development through growth of **organic market in textiles and agricultural products**
- Enhanced **fire control** linked to employment benefits and skills development
- Introduction of **grid connected renewables** through Renewable Energy Feed-In Tariff (REFIT) and long-term Renewable Energy Strategy to drive domestic investment and local manufacture
- Development of **enhanced recycling networks** for paper, glass, cans, aluminium and other products linked to SMME development



A High Growth, High Employment, Low Carbon Economy

- Development of professional services in **climate science and policy**, with potential for mitigation and adaptation support across Sub-Saharan Africa
- Increased **employment in climate change related services** including carbon markets, sector-based agreements, carbon management and technological innovation, supporting knowledge based economy
- Promotion of R&D in support of low carbon innovation, and **commercialisation of emergent technologies** such as thin-film solar photovoltaic (PV) and electric vehicles
- **International finance and technology transfer** in support of renewable energy, energy efficiency, conservation farming, clean coal and coal bed methane



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www.climateriskandopportunity.co.za

Alex McNamara

Camco South Africa

T: +27 (0)11 253 3400

M: +27 (0)79 699 3284

E: alex.mcnamara@camcoglobal.com