
South Africa has some way to go to meet its sustainability commitments

As global and local leaders return from COP27 to start the hard work of putting in place policies to transition to a low-carbon economy which is both sustainable and inclusive, a new publication tracking South Africa's progress has found that the country has a long road ahead to shift to an inclusive and green development path.

Key indicators tracking economic, social and environmental factors show that, whilst overall progress has been slow, there have been some moves in relation to renewable energy, energy intensity and, to some extent, e-mobility in the form of New Energy Vehicles (NEVs).

These findings have emerged from a Green Economy Bulletin (GEB) produced by Trade & Industrial Policy Strategies (TIPS). The GEB – the first of its kind in South Africa - will track and measure progress on an annual basis towards a green transition. It provides an overview, at the national level, of South Africa's progress in creating a more sustainable, inclusive and low-carbon economy. The GEB tracks three key groupings of indicators linked to economic development, social progress and environmental sustainability, as a truly inclusive green economy involves progress in all three categories of indicators, showing broad benefits to human development alongside the economy and the natural environment.

The publication of the GEB follows on the heels of the Green Economy Tracker, developed by the Green Economy Coalition (GEC), which tracks how governments around the world are implementing policies to affect an inclusive green economy. The GEB is an important complement to the Green Economy Tracker, bringing together a more holistic view of South Africa's progress towards sustainable development. It acknowledges that economic, social and environmental outcomes are intertwined and should be seen as one.

The authors of the GEB point out that, for the most part, South Africa's "performance to date shows a continuation of historically unsustainable patterns. Performance against certain indicators remains concerning." This is especially so in the case of some socio-economic indicators relating to unemployment and inequality. The GEB notes that the recent pandemic has exacerbated existing levels of vulnerability, contributing towards greater stresses and deprivation experienced by many households. A further factor affecting households is the lack of access to good quality, reliable, affordable key utility services, such as energy, water and sanitation.

Whilst most indicators are performing poorly, the GEB points out that there is some room for optimism. The country's performance against some indicators could improve in the short to medium term as more funding and focus is given to the production and consumption of green goods and services in the economy. "Recent government announcements should allow for the increased rollout of renewable energy and drive a more ambitious GHG emissions' trajectory."

Future progress, the GEB highlights, could be given a boost by a number of interventions such as the potential funding opportunities of the US\$ 8.5 billion partnership with the governments of France, Germany, the United Kingdom and the United States, as well as the European Union. These funds

secured during COP26 (held in 2021) aim to support a just transition to a low-carbon economy and a climate-resilient society in South Africa. Other measures include the establishment of a Presidential Climate Finance Task Team to lead the country's efforts to mobilise finance for a just transition. There is also additional finance from the Development Bank of Southern Africa's Green Fund and World Bank funding for the decommissioning and repurposing of coal-fired power plants. In terms of legislation, the Climate Change Act currently before Parliament, will require municipalities, provinces and national government departments to develop plans, targets and strategies for mitigation and adaptation. Further, it would establish a GHG inventory and would compel large GHG emitters to report on and reduce emissions.

Some progress is being made, for example, in relation to renewable energy. The GEB shows that, whilst coal still dominates at the electricity supply level, the share of fossil fuels in electricity generation has started to decline. And the share of renewable energy is starting to rise from a low of 0,2% in 2010 to 6,8% in 2021. Moreover, the announcements of large-scale renewable energy procurement by the state, municipal plans for independent power production, major corporate investments in this area, as well as the emergence of an enabling framework in some municipalities for small-scale embedded generation should drive further uptake in renewable energy in the years to come.

In the case of NEVs, whilst sales comprised just under 0,3% of all new passenger vehicle sales in 2021, sales have started to pick up. The upward trend is likely to continue as charging infrastructure is rolled out; pricing is addressed and government pursues the implementation of a green transport strategy.

Finally, the GEB tracks not only the state of the economy but also social indicators, such as human well-being through trends in inequality and access to (good quality) basic services, food and education. It also cover environmental indicators, such as GHG emissions, the country's biocapacity relative to its ecological footprint and water security. These indicators measure the extent to which South Africa lives within or "overshoots" natural thresholds and stocks of natural capital. Due to the limitations of data coverage, access and availability, certain areas of interest are not covered, such as green jobs and the circular economy. However, new indicators may be included in future publications of the GEB as data becomes available.

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It should be noted that the GEB can be read alongside the Green Economy Coalition's (GEC) Green Economy Tracker, which monitors policy development ([available here](#)), as well as TIPS's quarterly Real Economy Bulletin (REB).