

Bankable Mitigation Actions: Key Success Factors – A South African Perspective

‘Finance Ready Mitigation Actions: Building Blocks for NDC Achievement’
African Regional Workshop: Accra, Ghana

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Climate Change and Air Quality



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Presentation Overview

- Policy landscape and the Buildings Blocks of the National Climate Change Response
- Desired Emission Reduction Outcomes, Carbon Budgets and the Mitigation System
- Local Government Mitigation Support Programme
- Climate Change Flagship Programmes



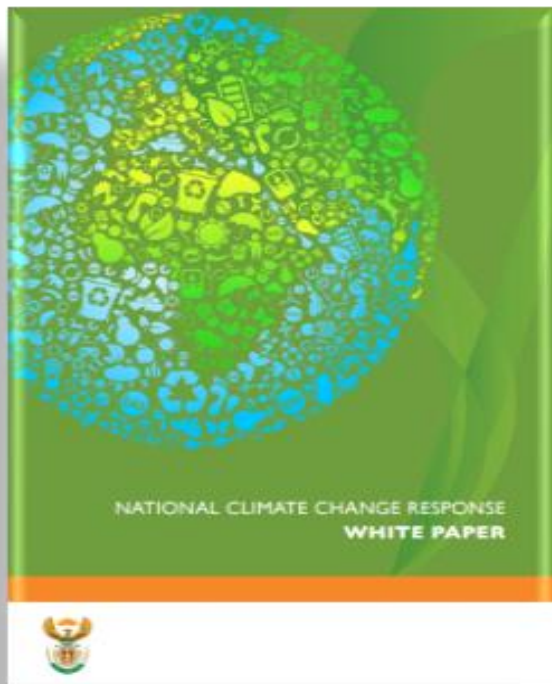
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Policy landscape and the Buildings Blocks of the National Climate Change Response

- National climate Change Response Policy guides implementation of climate change in SA
Several building blocks to the national climate change response



Desired Emission
Reduction
Outcomes

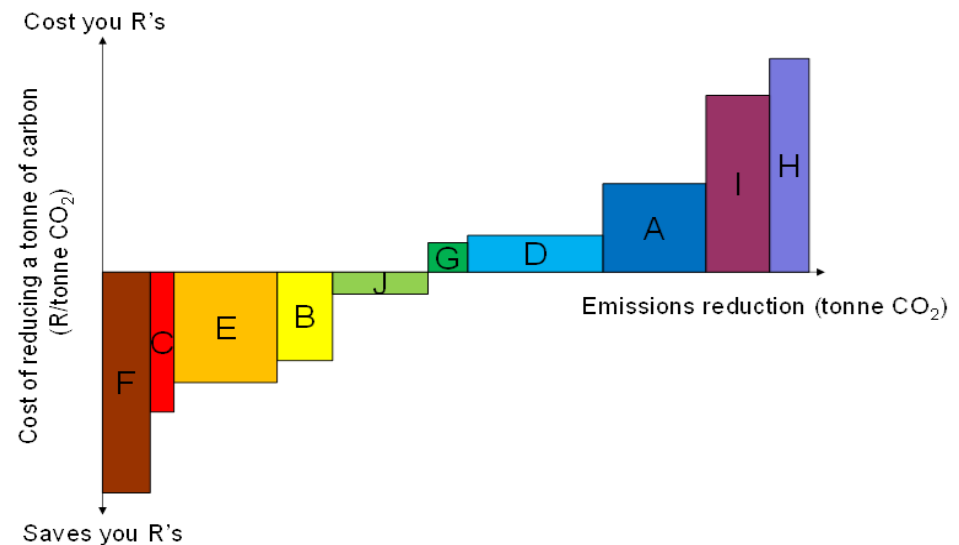
Carbon Budgets
& Mitigation
System

Local Government
Support
Programme

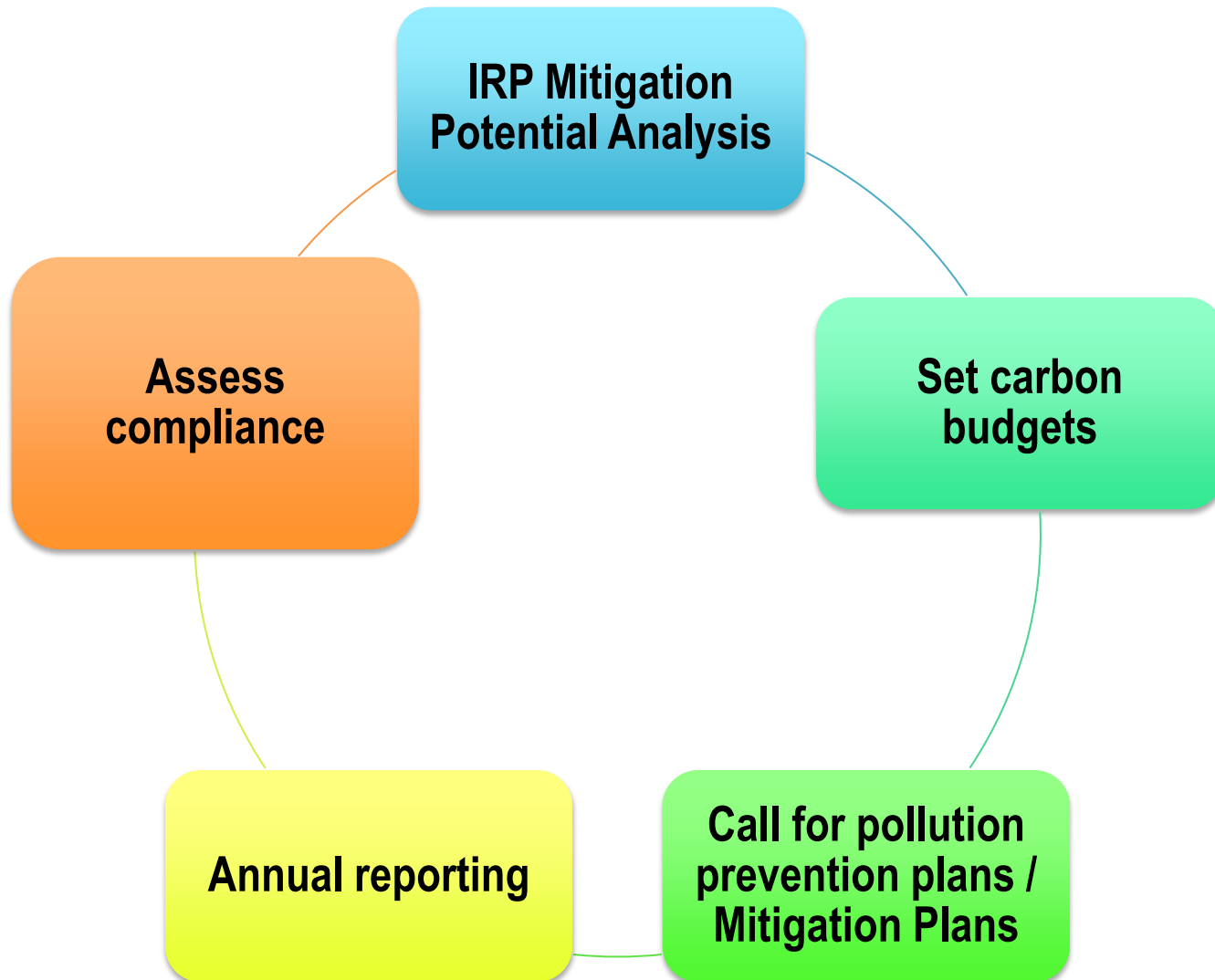
Climate Change
Flagship
Programmes

The Mitigation Desired Emission Reduction Outcomes (DEROS)

- Sector departments and provinces to prepare greenhouse gas emission (GHG) reduction implementation plans
- Mitigation Potential Analysis: 172 measures identified requiring national, provincial and local level implementation



Overview of the Mitigation System



Carbon Budgets

- Company level focus (Private-sector and state-owned)
- Phase 1: (2016 – 2020)
 - Declared Kyoto Protocol GHG's as priority air pollutants and direct emission of GHG in excess of 0.1 Megatonnes annually
 - Piloting working towards enforceable Phases (Beyond 2020)
- Phase 2: 2021 Onwards
 - Climate Change legislation should be in place by the time carbon budgets for Phases beyond 2020 are allocated
 - These would automatically become enforceable emission reduction targets for companies
 - If the country's mitigation objectives are not met, the Minister would have powers to adjust the threshold and identify more sector to carry carbon budgets

Mitigation Local Government Support Programme

- Provincial Consultations - bottom-up needs assessment process
- Local Government Support Programme Pillars
 - Institutional Arrangement
 - Projects and Programmes
 - Networks and External Support
 - Needs Assessment



Municipal Needs Assessment and Clustering

Needs Assessment



Readiness clustering



**Assessment
Worksheets**

**Provincial
Consultations**

**Mapping Matrix
Verification**

**Thematic
Approach
Readiness
Assessment**

Enablers For Successful Implementation

- DEA playing a supporting and mobilising
- Cooperation from line departments with implementing mandates
- Appropriate models for compliant with Public Finance Management
- Mechanisms and central coordination role for climate finance
- Key factors to consider for a climate action:
 - Governance and stakeholder engagement
 - Project preparatory support and project bankability
 - Financial support

Climate Change Flagship Programmes: Policy Perspective

- The National Climate Change Response Policy (NCCRP) identifies the Climate Change Flagship Programmes as:
 - “as an **integral** part of the policy
 - “include both the **scaling-up** of existing climate change initiatives and **new initiatives** that are ready to come on-stream”
 - “**form the foundation for the next phase in the transition** to a lower-carbon and climate-resilient economy and society”
- Additionally Flagship Programmes are an important component of South Africa’s Nationally Determined Contribution to the UNFCCC

National Climate
Response Policy
Implementation

South Africa’s
Nationally Determined
Contribution

South Africa’s
Nationally Green
Climate Fund Strategic
Framework

The Climate Change Response Near-Term Priority Flagship Programmes

- The CC Flagship Programmes are the game changers in the transition to a lower carbon economy and resilient society
- They respond to the **three key challenges** facing South Africa and other countries as global efforts to address climate change intensify:

Igniting national-scale action at the speed required to respond to climate change

Attracting resources at the scale required to enable meaningful transformation

Demonstrating the course of actions needed to respond to climate change effectively and efficiently

Climate Change Flagship Programmes and Green Climate Fund Priority Areas

Agriculture, Food Systems and Food Security

Energy Efficiency and Energy Demand Management

Carbon Capture and Storage

Disaster Risk Reduction and Management

Health

Land, Oceans, Biodiversity and Ecosystems

Low Carbon, Climate Resilient Built Environment, Communities and Human Settlements

Low Carbon Climate Resilient Spatial Development

Low Carbon, Climate Resilient Transport Systems

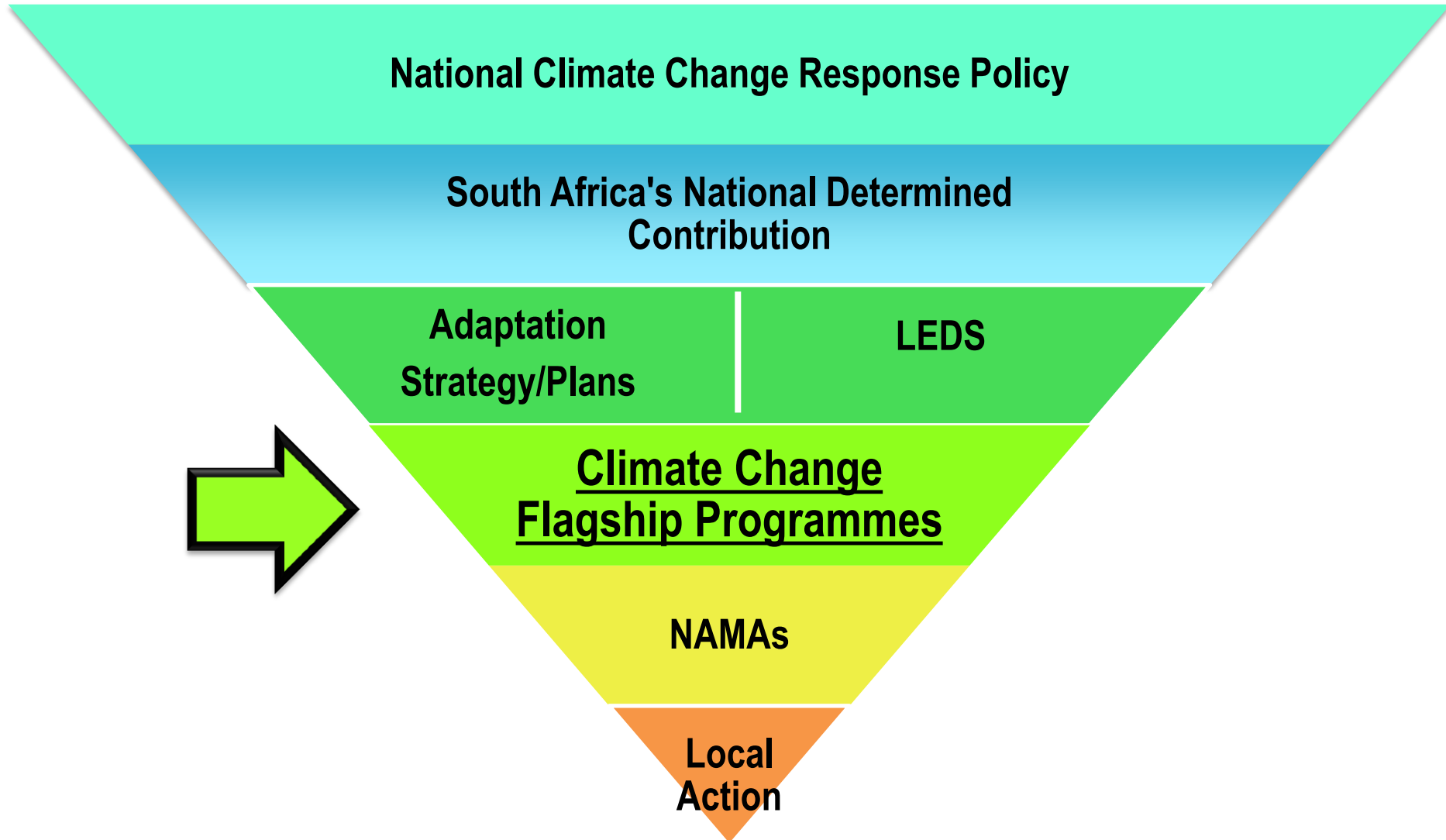
Renewable Energy

Social Protection Systems and Public Works Programmes

Waste Management

Water Conservation and Water Demand Management

Locating The Climate Change Flagship Programmes in the International Landscape



The Climate Change Flagship Programme Criteria

- Significant mitigation potential and/or potential to enhance resilience
- Ambitious and transformative in design, scale and impact
- Realise significant social, economic and environmental benefits
- Contribute to achieving existing commitments
- Utilise, demonstrate and/or test a set of policy interventions, fiscal instruments and modes of implementation
- Inter-linked components, developed and implemented in coordinated way
- Capable of near-term implementation

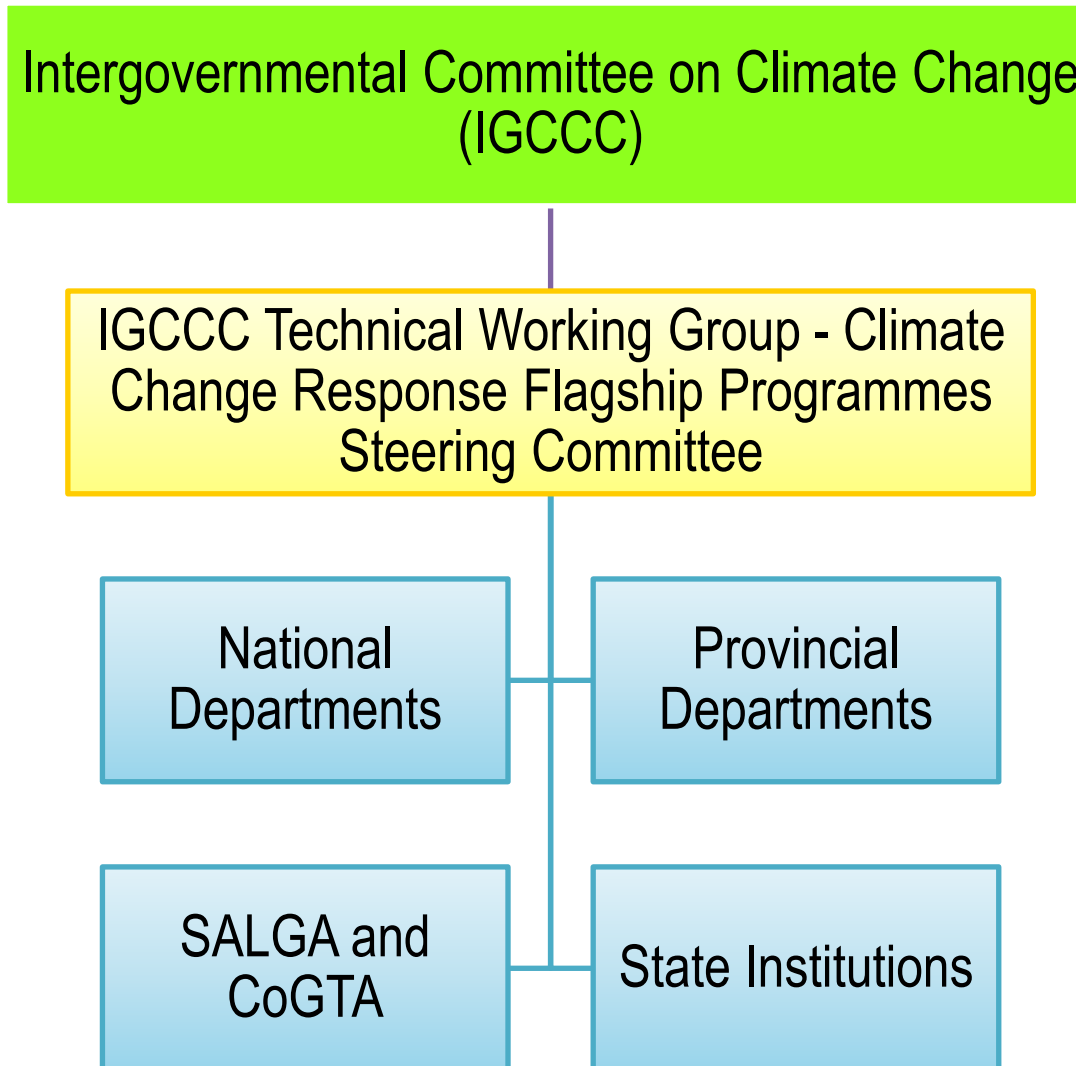


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Climate Change Flagship Programmes Steering Committee



Scaling Up Approach

- Identification of programme partners and building of partnerships around Flagship Programmes priority areas
- Programme framework and investment priorities
 - Consolidation of relevant, policies, strategies, frameworks etc.
 - Identification of investment priorities
 - Assessment of implementation options and resourcing requirements
 - Active development of partnerships (programme development, capacity building and investment)
 - Awareness and communication of high level priorities
- Development of specific project level-concepts and pipeline development

Scaling-up Pathways for Near-term Priority Flagship Programmes

Continued implementation of existing successful policies and measures

Policy alignment and integration intervention

Consolidation of existing climate-relevant programmes

Improving the operational efficiency and impact of existing policies and measures

Scaled up rollout of existing successful policies and measures

Demonstration scale programmes to full-scale measures

Determining the requirements for upscaling and development of scaling plans

Packaging of measures into investment grade programmes

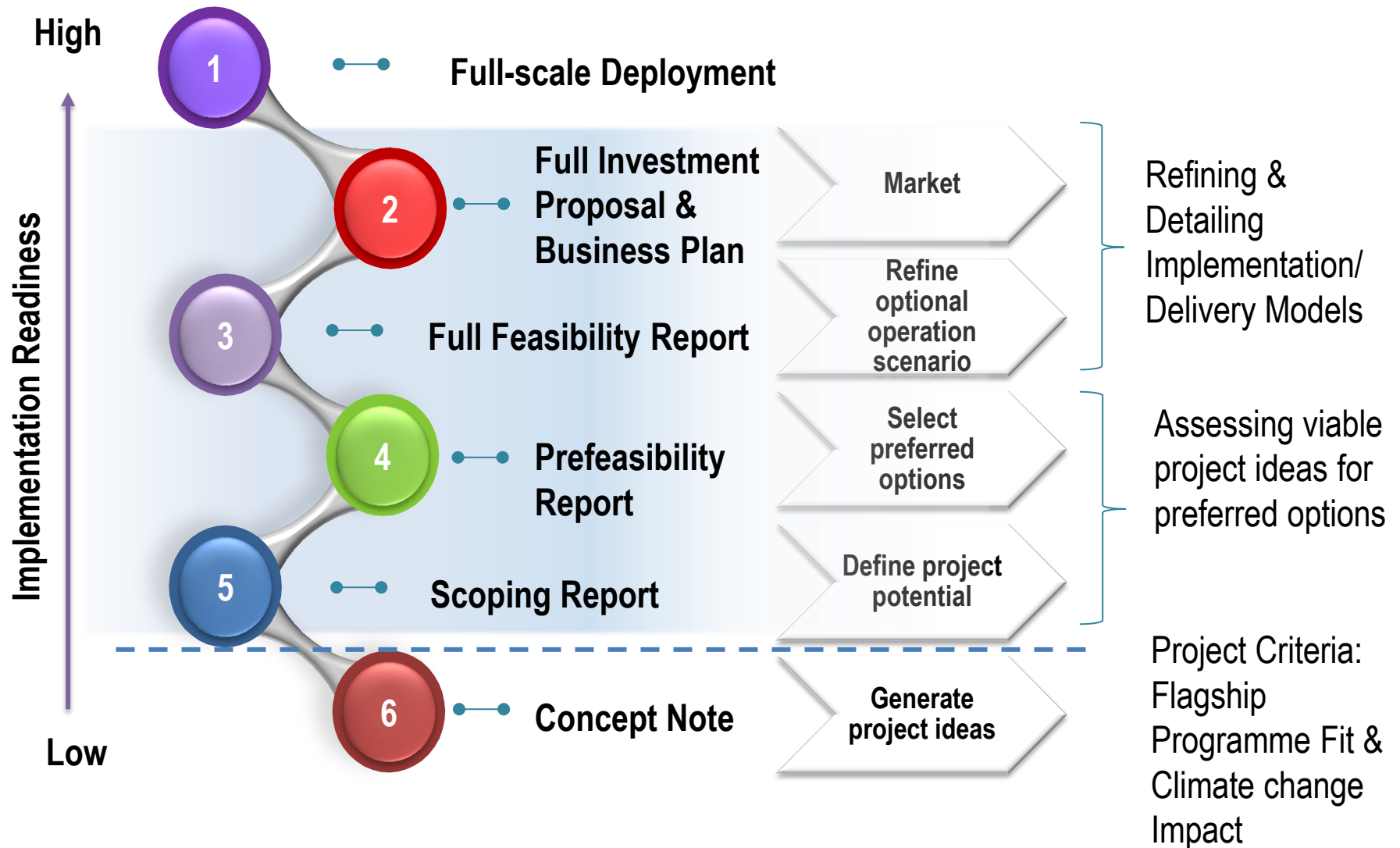
Implementation of proven “no regrets” policies and measures in the immediate and near term

Pilot scale to demonstration and full-scale implementation

Defining and assessing scalability of existing and new measures

Building programmes by grouping, harmonising and related measures

Programme Investment & Implementation Preparation



Pipeline Development Approach

Aim

- Well-conceptualised and documented climate action opportunity
- Formal undertaking to partner with DEA on further development of the opportunity

Defined steps

- Identification of the opportunity
- Contact with owner
- Clarification and documentation of the opportunity
- Initial screening/assessment of the opportunity
 - Description of opportunity
 - Potential CC impact
 - Potential development impact
 - Readiness
 - Feasibility
 - Key catalysts for achieving scaled
- Formalisation of the partnership to develop opportunity to scale

Key Outputs

- Concept
 - Description of opportunity
 - Potential CC impact
 - Potential development impact
 - Readiness
 - Feasibility
 - Key catalysts for achieving scaled
- MOU/other formal agreement
- Roadmap on how the opportunity is to be developed

Climate Change Flagship Programme: Priority Work Packages (1)

- 2nd phase focused explicitly on scaling up include are
 1. Deepening the impact of existing flagship programmes
 2. Expansion of the initial set of Flagship programme activity, to incorporate increasingly more ambitious and innovative elements
 3. Introduction of new flagship programmes to reflect the importance of both adaptation and mitigation action



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Climate Change Flagship Programme: Priority Work Packages (2)

Deepening the Impact of Existing Flagship Programmes

- **Energy Efficiency in Public Buildings:** Energy Efficiency and Energy Demand Management Flagship Programme
- **Diversion Of Municipal Solid Waste From Landfill:** Waste Management Flagship Programme
- **Tsamaya Sustainable Urban Transport NAMA:** Transport Flagship Programme
- **Rainwater Harvesting Strategy Development:** Water Conservation and Water Demand Management Flagship Programme

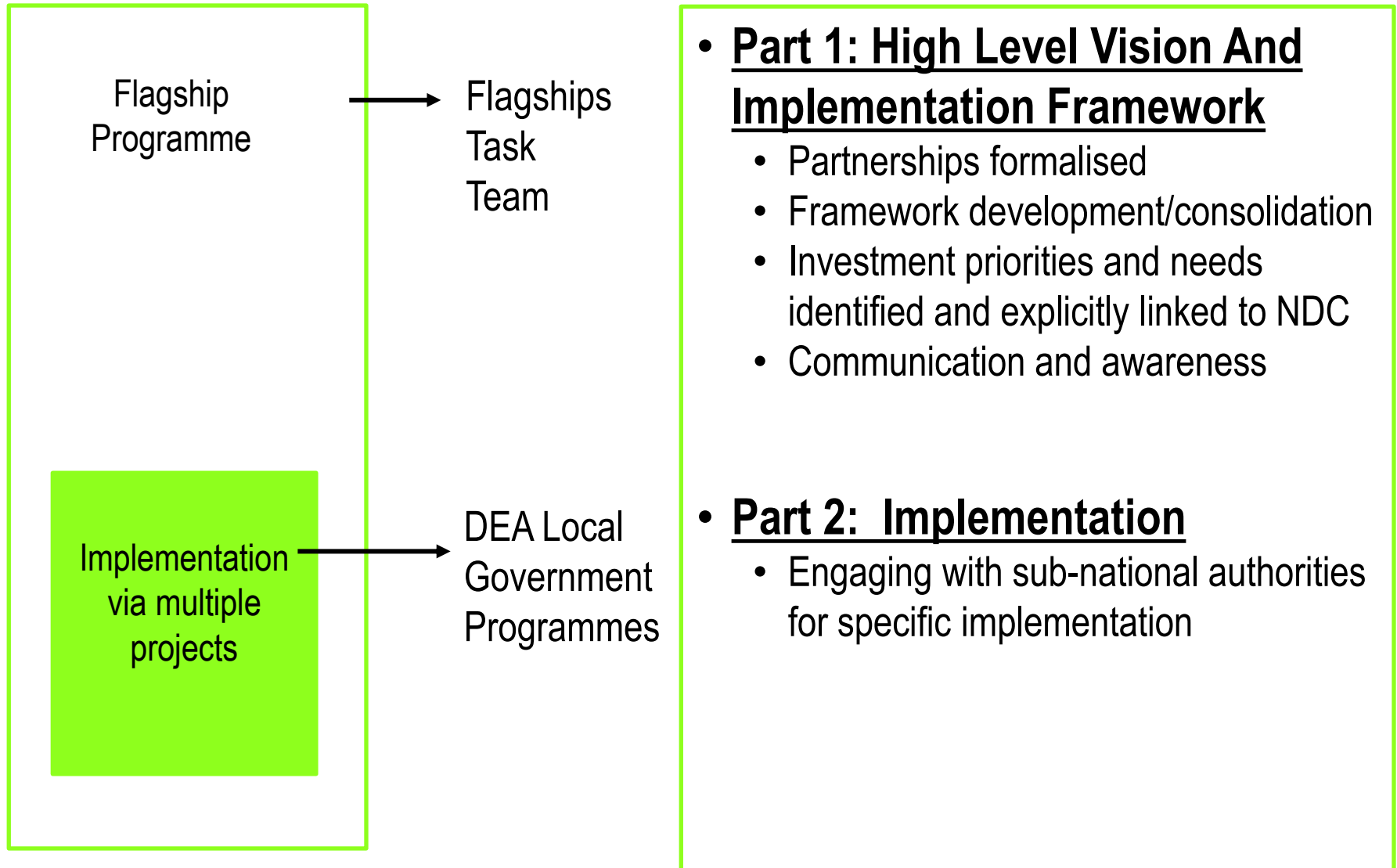
Expanding Existing Flagship Programmes

- **Small-scale Embedded Energy Generation:** Renewable Energy Flagship Programme
- **Hydrogen and Fuel Cell Technologies:** Renewable Energy Flagship Programme
- **Wastewater Biogas Generation For Electricity:** Waste Management Flagship Programme

Building New Flagship Programmes

- **Agriculture, Food Systems and Food Security**
- **Low Carbon, Climate Resilient Built Environment, Communities and Human Settlements**
- **Land, Oceans, Biodiversity and Ecosystems**

An Integrated Approach to Scaling Up Climate Action



DEA's Role in Scaling-up Flagship Programmes

- Portfolio level coordination – Flagship Programmes Steering Committee (reporting to the IGCCC)
- Policy and strategic direction on the national climate change response
- Advisory, technical and financial services to programme coordinators and implementing partners
- Active programme conceptualized and developed with partners towards South Africa's NDC
- Local government support

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