The contribution of local government in achieving national climate objectives – outcomes of the SALGA-OneWorld Roundtable, 8th July 2016

Background

The adoption of the Nationally Determined Contributions (NDCs) as a basis for implementing the global Paris Agreement places the responsibility for its delivery squarely on the shoulders of national governments. Since cities and municipalities manage so many of the services and assets that do or can contribute to successful delivery of domestic mitigation and adaptation targets, they have a critical role to play in enabling national sustainable development prerogatives. Sustainable energy delivery, energy efficiency, integrated public transport systems, water and waste management programmes are among the examples where potential contributions can be made by municipalities. Moreover, local government is responsible for local economic development through stimulating jobs and creating an enabling environment.

How to optimise the contribution of South African cities and municipalities to the country's Nationally Determined Contribution (NDC) to the UNFCCC is thus an important topic on the national climate action agenda. A series of dialogues is in progress, commenced in November 2015 ahead of COP21 and the conclusion of the still to be ratified Paris Agreement. This brief emanates from the most recent of these, a roundtable discussion on the 8th July 2016, co-hosted by OneWorld Sustainable Investments and the South African Local Government Association (SALGA). In attendance were representatives of various disciplines from several Western Cape municipalities, as well as Provincial and National Government. These dialogues have been conducted under the German Government funded International Climate Initiative (IKI) '*Vertical integration and learning for Low-Emission Development (V-LED) in Africa and Southeast Asia'* programme.

With the different levels of progress made in the local government – national climate agenda discourse in mind, the Western Cape Dialogue sought responses to two central questions:

- ***How can local government action be accelerated*** to enhance local economic development while achieving national climate objectives, noting SA's NDC provisions?
- ***What are the opportunities*** within the existing regulatory framework to do so?

The roundtable considered the practicalities of local-level government, vis-à-vis provincial and national, participation in transitioning South Africa to green growth pathways, while building resilience to climate change. The primary mandate of municipalities to deliver basic services in the face of climate change threats and opportunities is the departure point in assessing how local government can meaningfully contribute to South Africa's role in achieving global ambition.

The challenges are significant. South Africa's NDC, an amalgam of existing and relevant policies, is grounded in the principles of sustainable development and embodies the three critical, but not necessarily distinct, elements of adaptation, mitigation and investment support. Specificity of national action, encompassing all tiers of government, South Africa's active civil society and the private sector, has still to be established – against a global context of a legally binding review of national progress against voluntary targets, starting in 2020. There is much work to be done and by a range of actors that face regulatory constraints,

emerging governance arrangements and yet to be clarified roles and responsibilities. A summary of SA's NDC in its current form is annexed hereto.

The Roundtable Discussion

Focusing on the prerequisites for establishing an enabling environment, the discussion revolved around the three main issues of:

i) Institutional capacities and how these vary between municipalities;
ii) Coordination, alignment and roles and responsibilities (within the environmental mandate) across all tiers of government, and;
iii) National strategies and support required from national government including climate funding needs.

Key outcomes summarised

- ***South Africa's socio-economic and climate priorities need to be strongly aligned*** to enable the achievement of South Africa's climate objectives and transformation.
- ***The adaptation focus of national climate objectives is the top priority*** for municipalities.
- ***Integrated development and spatial planning is the primary mechanism*** for delivering climate action – as long as these plans are implemented.
- Unless municipalities have a direct line of sight between delivering their mandate and climate change, action is unlikely.
- Global – and national - climate finance favours initiatives that reflect a strong link to achieving development objectives.
- Advantage should be taken now of the fact that municiplaities are about to enter their next 5-year planning cycle phase.
- ***Municipalities require clear direction for their climate activities*** – suggesting a balance between bottom-up and top down approaches.
- ***Direction is taken first from the regulatory environment***; the national climate-related prerogatives do not always align and are therefore not always followed.
- The separation of responsibilities between municipal functions is a barrier to delivering responses to a the transversal issue of climate change – on top of which climate change is most frequently framed – and parked - as an environmental issue.
- ***Municipal managers are the most important champions*** of climate-integrated development and spatial planning and implementation.
- ***National Government needs to adopt a differentiated approach*** in how it supports SA's provinces and municipalities, predicated by clear needs assessments.
- The less capacitated municipalities can take lessons from the more advanced, leapfrogging challenges.
- Even municipalities that are well capacitated struggle to access climate finance, suggesting that national support is essential.
- ***Partnerships between the different tiers of government*** – and governance – is a critical success factor in delivering climate-smart development.

Further details of these discussions follow:

Institutional Capacities

- **Capacities of provincial and local government is differentiated across the country:** Provincial government is meant to provide a conduit for local government and community voices in national policy development and act as both the facilitation and coordination arm for integrating climate response action into local government service

delivery processes. Some provinces are better capacitated than others and the same applies to municipalities. Moreover, there are issues far better led by local than provincial government. National Government therefore needs to adopt a differentiated approach in how it supports SA's provinces and municipalities, predicated by a clear needs assessment. Provinces and municipalities with stronger capacities (and climate change agenda interests) can share their experiences in a cross-learning and information disseminated process. This would include applying best practice examples of climate integration into Spatial Development Frameworks (SDF) and/or Integrated Development Plans (IDPs).

- **Municipalities operate according to best practice within their service delivery mandate as far as possible:** National legislation and regulations provide a framework for the operation of local authorities; however, there are other regulatory frameworks that impose additional requirements on local authorities, often not supported by funding. With low (and varying) institutional capacities, the burden of reporting and delivering these requirements, such as climate change action, on top of municipal regulatory pressures, often means that climate-based activities are neglected. *Unless municipalities have a direct line of sight between delivering their mandate and climate change, action is unlikely.*
- **Municipal functions work alongside each other, not together:** the separation of responsibilities between departmental functions creates a barrier to delivering responses to a transversal issue such as climate change. Harnessing the capacities across these silos is a necessary condition to generating coherent climate responses. For instance, climate mitigation responses may be seen as the responsibility of transport or energy planners, whereas adaptation tends to fall on the shoulders of the environmental department (or disaster management), or manager where there is one. Indeed, disaster management is now flagged as a key area that needs to respond to climate change, as the Disaster Management Amendment Act includes specific clauses on how the different spheres of government need to respond to climate change. However, climate action is seldom addressed institutionally in an integrated manner and climate activities are rarely seen as integral part to the delivering basic services. Incongruously, the better capacitated municipalities struggle more with this issue than their smaller counterparts; larger municipalities and metros such as the City of Cape Town have more departments and thus operate in a more silo-based manner than smaller authorities that have greater flexibility, albeit less capacity, in terms of how they deliver their mandate.
- **Municipal managers are the most important municipal official in delivering climate-integrated development and spatial planning and implementation**: Municipal managers are required to be directional, cross cutting and integrative and are thus the right people to champion climate responsive and inclusive development.

Coordination and alignment

- **Partnership between the different tiers of government is critical,** with alignment and coordination between thinking and implementation. Central is how best to approach implementation. Role players such as COGTA are a critical provider of leadership and support in guiding implementation, but their role in implementing the NDC targets is not clear to municipalities. COGTA is expected to play a central role on the issue of mainstreaming climate into Integrated Development Plans (IDPs); thus the political buy-in from COGTA will be critical in enabling delivery of the NDC and local climate objectives.
- **Municipalities are currently entering into their next five-year planning cycle**: this provides an opportunity for climate goals to be integrated into delivery mandates and budgets. The development of the IDPs allows municipalities to highlight their key issues and incorporate adaptation and mitigation activities into plans and projects that extends

from a situational analysis to actual implementation ('action plans'). Including measures specifically related to job creation and how adaptation or mitigation activities could steer projects means that community consultation has taken place and demonstrates that the need relates to the ground level situation.

- **The less capacitated municipalities can take lessons from the more advanced, leapfrogging challenges**. In this, clarification is needed on the roles of municipalities – a balance between a top-down (strategic) and bottom-up (needs assessment) approach is needed.

National strategies, support and climate finance

- **Local level government and municipalities need to be knowledge-capacitated and empowered by national incentives:** Often climate change is integrated within the situational analysis of IDPs, but not carried through to implementation. Problematically, climate change is seen as an environmental rather than a developmental issue, significantly limiting the scope of climate integration.
- **Municipalities require clear direction for their climate activities:** Municipalities operate within defined mandates, planning cycles and regulatory frameworks. With this, and national climate policy objectives in mind, it follows that direction should also come from national government on the climate change responses of municipalities. National government (through DEA) is introducing a climate change mitigation programme to support municipalities to implement projects and programmes. The approach followed is 'bottom-up' so as to enable understanding of the support needs and efforts of municipalities; the outcome informing DEA on what approach to follow in supporting municipalities. Local government, as the sphere of government closest to the people, is the critical interface between local and national. Like other tiers of government, it takes its que from the Constitution and is specifically regulated in terms of how it plans and how it is mandated and financed. In addition, it is often required to deliver on other national imperatives, such as climate action, and this is usually done through building partnerships. Because the responsible ministries and departments have no direct jurisdiction over local authorities, coordination through consultation is the only avenue available. However, municipalities are clear that they need direction and a blueprint for action – a more top-down approach – suggesting that a balance is required. Having said that, in some instances, municipalities are altering their course of action in response to climate change. Berg River Municipality for example has changed the way it manages stormwater out of necessity - because of the impacts experienced from climate change.
- **The Department of Environmental Affairs (DEA) is committed to work closely with municipalities, but has yet to implement a functional manner of doing so:** Municipalities recognise that opportunities for support from national/provincial government should respond to their key challenges experienced within the regulatory framework. While DEA needs to coordinate municipal climate activities, issues of misalignment of agendas, mandates and roles come into play. The right enabling environment is critical – asking how municipalities can be supported to achieve their mandates, rather than how municipalities can contribute to the achieving the objectives of the NDC.
- **The adaptation focus of the NDC is important:** For example, the recognition of the Spatial Planning and Land Use Management Act (SPLUMA) and its importance in the rollout of climate activities is understood. However, questions around SPLUMA and its link to adaptive management activities, such as those which fall under Land use, land-use change and forestry (LULUCF) will be critical for national government to answer given decisions that need to be made regarding development and spatial/land use planning at a local level. Water is the current big crisis facing South Africa (after energy) and there is much to be learned – and changed – as a result of the current drought. An

effective reduction of impacts is possible through advance planning and implementation of relevant mitigation measures at both a national and municipal level. The conservation and demand management of this critical resource links closely with the LULUCF aspects of SPLUMA. *The development of climate risk management, or building climate change risk approaches into sectoral development plans, is a critical aspect of adaptation that comes into sharp focus at municipal level.*

- **It is likely that the NDC and national climate objectives will evolve and change over time**: The National Adaptation Plan (NAP) is being developed in a consultative and analytical process across the country at local, provincial and national levels, led by DEA. It is likely that the NDC will evolve accordingly, including bringing specificity to local and national adaptation target. It is already evident that the need to adapt at local levels is top priority and that meeting mitigation targets is less likely to be achieved. *It is therefore important that municipal limitations are considered in the expectation of local delivery against national adaptation and mitigation targets, with needs being closely matched*.
- **Global – and national - climate finance favours projects and programmes that reflect a strong link to achieving development objectives.** In addition, a key challenge in accessing global climate funds is the scale of projects. Many municipal projects remain too small to qualify for funding – once again highlighting the need for coordination and sharing of knowledge around successful access of climate finance. With this, there is a strong emphasis on monitoring and evaluation processes that track and measure progress. The national M&E system is evolving with municipalities and provinces are not yet feeding into a formalized national M&E system for climate change, and relatively few having mainstreamed climate change into their IDPs. *The combination places them at a disadvantage in terms of accessing global climate finance.*
- **Even municipalities that are well capacitated struggle to access climate finance**: Most often, municipalities are not aware of funding opportunities. Moreover, local government has to focus on service delivery and until this is expanded to include the climate agenda, there is little basis for accessing finance for climate change – be this from national budgets or global climate funds. Better alignment and coordination with national and provincial government, as well as agencies such as SALGA, would enable better access to climate finance. Accessing domestic resources (that are by nature development oriented) will be enabled through development plans that are climate resilient (climate mainstreamed plans). *Accessing international climate funds will be enabled through national support to local objectives and in providing knowledge of climate funds.*
- **National government is well placed to support municipalities in leveraging international funds such as the Green Climate Fund (GCF)** for city and local-level initiatives. Better understanding is needed of the quantifiable contributions that municipalities can make in executing climate-related activities. National government will benefit from determining which projects are replicable and scalable; identifying a project pipeline of projects that can be incorporated into flagship programmes (such as the Public Works Programmes, Energy Efficiency and Demand Side Management, Embedded Generation Renewable Energy etc. flagship programmes). In this manner, projects can be collectively addressed, and be built upon in order to access further (international) funding such as the GCF.
- **Municipalities need to be capacitated to develop winning proposals**. The DBSA-managed Green Fund is a unique national fund that seeks to support green initiatives that transition South Africa to a low carbon, resource efficient and climate resilient economy. Better alignment and coordination with national and provincial government and its agents (COGTA, SALGA), will improve governance and thus support better access the the Green fund and other instruments. The DEA acts as the focal point for the global GCF and thus can offer support to municipalities in meeting the requirements of this fund.

ANNEX: South Africa's Nationally Determined Contribution (NDC) Summarised

South Africa's national climate change response is built upon the core principles of equity, responsibility, capability and sustainable development. As a developing country, the NDC recognises that South Africa must consider climate change commitments within the context of acute challenges such as poverty, unemployment, and food and energy insecurity. As such, SA's NDC is anchored in principles of sustainable development.

The NDC is comprised of three components—mitigation (M-NDC), adaptation (A-NDC), and investment and support (S-NDC)—which are summarised below.

Mitigation

South Africa's mitigation component moves from a "deviation from business-as-usual" form of commitment to the absolute peak, plateau and decline (PPD) GHG emissions trajectory range proposed in its Copenhagen pledge.

South Africa sets a target emissions range of 398-614 Mt CO2e including Land use, Land-Use Change, and Forestry (LULUCF) by 2025-2030.

South Africa's NDC is consistent with the country's long term goal of achieving a PPD trajectory, which will see emissions peaking between 2020-2025, plateauing between 2025-2035, and declining to 212-428 $MtCO_2e$ by 2050.

To achieve these objectives, South Africa intends to use the period 2016-2020 to develop and implement a variety of policy instruments and measures, including a carbon tax, desired emission reduction outcomes (DEROs) for sectors, company- level carbon budgets, as well as regulatory standards and controls for specifically identified GHG pollutants and emitters.

Copenhagen Pledge	Nationally Determined Contribution
2020 target	**2030 Target**
• -34% below BAU by 2020 incl. LULUCF • 20-70% above 1990 levels excl. LULUCF	Emissions incl. LULUCF of between 398-614 $MtCO_2e$ over 2025-2030 (20-82% above 1990 levels excl. LULUCF)
2025 Target	**Coverage**
• 42% below BAU by 2025 incl. LULUCF • 20-82% above 1990 levels excl. LULUCF	Economy-wide, all sectors (including AFOLU), six GHGs, with a material focus on CO_2, CH_4, and N_2O
Long-term Goal	
Stable emissions over 2025-2035, followed by a decline in emissions to between 212-428 $MtCO_2e$ incl. LULUCF by 2050 (-34% below to 29% above 1990 levels, excl. LULUCF)	
Source: Climate Action Tracker 2015	

Adaptation

The NDC recognises that developing countries have played a small role in contributing to the global climate change challenge and yet are the most vulnerable to its impacts. It therefore assumes that the Paris Agreement will enhance international cooperation and support on adaptation. South Africa's A-NDC sets six goals, which include the development of a National
Adaptation Plan, the integration of adaptation into national and subnational development planning and implementation processes, institutional capacity building, and the development of climate risk management, emergency and recovery responses to climate impacts.

Investment Support

Central to the implementation of the NDC is financing and investment in South Africa's transition to a low carbon, climate-resilient economy. The NDC outlines required investment in the scaling up key adaptation programmes, including Working for Water (US$1.2bn per year) and Water Conservation and Demand Management (US$5.3bn per year). The document also outlines total required cost for the realisation of South Africa's long term mitigation targets, including estimated cost to expand RE IPPPP in the ten years (US$3bn per year), and to decarbonise electricity by 2050 (US$349bn from 2010).