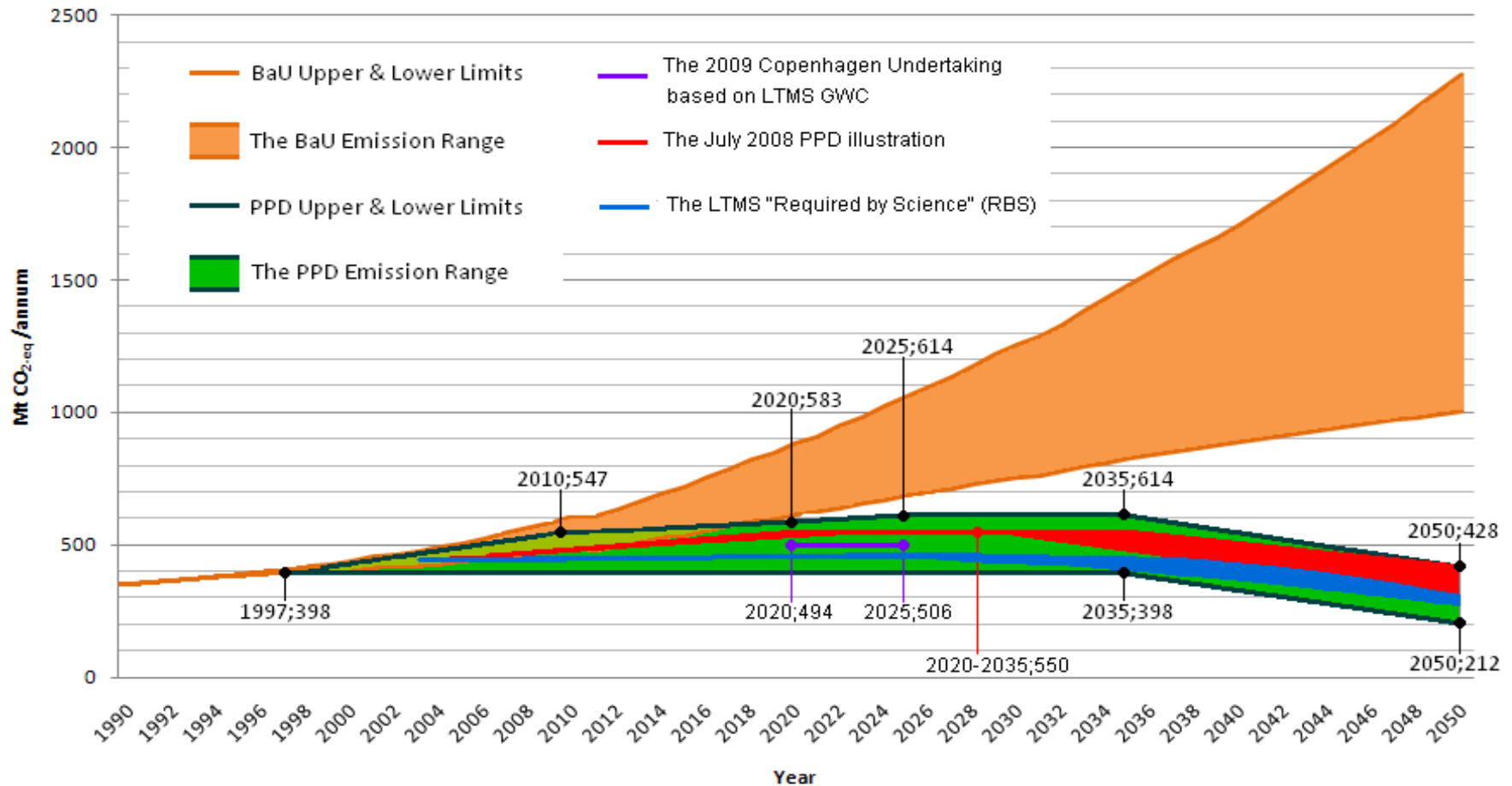


National Climate Change Response Policy (NCCRP)

- Climate change is already a measurable reality and along with other developing countries, South Africa is especially vulnerable to its impacts.
- South Africa (SA) committed to curb GHG emissions by 34% by 2020 and 42% by 2025 below the BAU trajectory (subject to provision of adequate financial, technological and capacity-building support)
- All sectors of the South African society will take part in the effort to mainstream climate-resilient development.

GHG emissions: Peak, Plateau and Decline Trajectory

The desired South African climate change mitigation outcome - the "Peak, Plateau and Decline" (PPD) greenhouse gas emission trajectory – comparison with other popularised conceptions of PPD



National Climate Change Response White Paper (NCCRWP) Overview

- The White Paper sets out South Africa's climate change response strategy to achieve the National Climate Change Response Objective
- Key policy areas to achieve this objective are
 - Adaptation
 - Mitigation
 - Near-term priority flagship programmes
 - Job Creation
 - Resource Mobilisation
 - Monitoring and Evaluation

National Climate Change Response Policy

Mitigation

Key elements in the overall approach to mitigation include:

- Defining desired emission reduction outcomes;
- Requiring companies and economic sectors to prepare and submit mitigation plans;
- Deploying of a range of economic instruments;
- Developing a national system of data collection to provide detailed, complete, accurate and up-to-date emissions data in the form of a Greenhouse Gas Inventory.

National Climate Change Response Policy: Layers of Stakeholder Engagement (1)

- Reaching Government Position
 - Department of Environmental Affairs – Focal Point for Climate Change Response Policy and Stakeholder Engagement
 - Inter-governmental Committee on Climate Change (IGCCC) - A forum for discussion on progress towards meeting national climate objectives.
 - Technical Working Groups (TWGs): Mitigation, Adaptation and Monitoring and Evaluation.
 - ICTS cluster
 - Cabinet

National Climate Change Response Policy: Layers of Stakeholder Engagement (2)

- Engaging External Stakeholders
 - National Climate Change Committee (NCCC)
 - Key businesses and business associations
 - The importance of the role of civil society
 - Academia and scientists – play a role of informing government and the public of climate change-related socio-economic challenges and opportunities.
 - Labour Unions
- Media Communication

National Climate Change Response Policy

Coordination of Response Policy Areas

- Response to climate change challenges and enactment of climate change strategy devised in the NCCRP requires a coordinated action
- A number of technical working groups, consisting of multiple government departments as well as representatives from civil society, labour, business and research institutes have been established.
 - Technical Working Group on Mitigation
 - Technical Working Group on Adaptation
 - Technical Working Group on Monitoring and Evaluation

Technical Working Group on Mitigation Objective

- To coordinate and align the mitigation work, including the generation and provision of the best mitigation options for key economic sectors
- Manage overall design and development of the national MRV system
- To coordinate sectoral technical work, through the establishment of a task team per sector

Carbon Tax Policy Progression

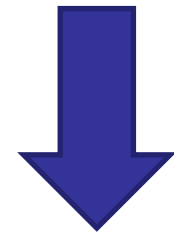
2006 Environmental
Fiscal Reform Policy
Paper



December 2010
Carbon Tax
Discussion Paper



February 2011
1st round of comments



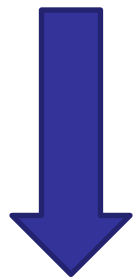
Legislation Process



2 August 2013
2nd round of
comments



2 May 2013
Carbon Tax Policy
Paper



1 January 2015
Implementation of the
tax

Proposed Carbon Tax Policy Design Features

- A carbon tax at R120 (\$13 or €10) per ton of CO₂e above the suggested thresholds with annual increases of 10 per cent until 2019/20 is proposed as from 1 January 2015.
- A basic tax-free threshold of 60 per cent is proposed.
- Additional tax-free allowance for process emission (10%)
- Additional relief for trade-exposed sectors (max 10%)
- Carbon offsetting allowed to reduce carbon tax liability (max 5% or 10%)
- The overall tax-free allowance for an entity will be capped at 90 per cent of actual verified emissions.

Carbon Tax External Stakeholder Consultation – Process followed

- Official public comment period
- Analysis of written submission & identification of key issues for review
- Public Stakeholder Workshops
- Bi-lateral meetings with key stakeholders
- Legislation stage – further round of public comments on a draft legislation

Media Campaign/Issues

- High degree of media interest/coverage
- Stakeholders voicing concerns – Large GHG emitters & Business Association
- Misinformation regarding key principles, objectives and design features
- Lack of understanding of economic principles

Stakeholder Consultation – Lessons Learned

- Co-ordination between government agencies in policy development can be a challenge - A risk of misalignment within broader government policy – divide and conquer
- Danger of Information asymmetry between government and industry/business
- Education regarding carbon pricing principles is important
- International Dimension
 - International experience – key trading partners/competitors
 - Follow or lead the pack
 - South-south information exchange

Thank you

Any Questions?

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