

POLICY

BRIEF

FINANCIAL AND FISCAL COMMISSION (2023)

Assessing the Response to Climate Change in Local Government

EXECUTIVE SUMMARY

The United Nations Framework Convention on Climate Change (UNFCCC) (2008) defines climate change as temperature change attributed directly or indirectly to human activity that alters the global atmosphere. Thus, globally, climate change is a real threat as it destabilises economies and livelihoods and disproportionately affects vulnerable and the marginalised people.

The World Bank on Climate Change Action Plan (2021-25) states that while the COVID-19 pandemic and economic crisis have had devastating effects, addressing climate change issues, while meeting the needs of society will be the most significant challenge of the 21st century. At the same time, addressing climate change issues offers a window of opportunity to transition to a low-carbon and resilient climate economy so as to achieve the United Nations' sustainable development goals and South Africa's triple burden of poverty, unemployment and inequality.

In committing to meeting climate change targets and sustainable development, South Africa is a signatory to various international agreements such as the Kyoto Protocol 1997, the United Nations Framework Convention on Climate Change 1992, the Conference of Parties (COPS) 1994, and the Paris Agreement 2015.

Locally, South Africa has put in place various pieces of legislation, policies, plans, and strategies. These include: the Constitution, the National Environment Management Act 1998, Climate Change Bill 2018, National Climate Change Response Policy 2011, National Development Plan 2010, Medium-Term Strategic Framework 2019-2024, Low-Emission Development Strategy 2020, the National Adaptation Strategy 2020 and a 2022 Framework for a Just Transition. They all have the objective of mitigating and adapting to climate change impacts and environmental effects while integrating them into planning documents. As such, the National Climate Change Bill of 2018, commits South Africa to reducing greenhouse gas (GHG) emissions by 42 per cent in 2025.

There are two main ways of responding to climate change: mitigation and adaptation. Robust mitigation and adaptation hinge on effective planning, especially at a local level. For local development to be resilient to the impacts of climate change, effective planning, and adequate



THE FINANCIAL AND FISCAL COMMISSION

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The vision of the Commission is to provide influential advice for equitable, efficient and sustainable intergovernmental fiscal relations between national, provincial and local spheres of government. This relates to the equitable division of government revenue among three spheres of government and to the related service delivery of public services to South Africans.

Through focused research, the Commission aims to provide proactive, expert and independent advice on promoting the intergovernmental fiscal relations system using evidence-based policy analysis to ensure the realisation of constitutional values. The Commission reports directly to both Parliament and the provincial legislatures, who hold government institutions to account. Government must respond to the Commission's recommendations and the extent to which they will be implemented at the tabling of the annual national budget in February each year.

The Commission consists of Commissioners appointed by the President: the Chairperson and Deputy Chairperson, three representatives of provinces, two representatives of organised local government and two other persons. The Commission pledges its commitment to the betterment of South Africa and South Africans in the execution of its duties.

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budgeting are essential. Effective planning enables policymakers to detect possible policy conflicts, reduce risks and vulnerability, avoid maladaptation, identify potential opportunities resulting from climate change, incorporate adaptation activities in the planning stage, introduce monitoring and evaluation activities to track the performance of climate change measures, and by and large, influence allocation of resources to climate change activities at the crucial planning stage.

BACKGROUND

In the South African local government sector, Integrated Development Plans (IDPs) are an essential tool for managing planning and budgeting at a local level. Climate change is an important policy agenda, but it must first find meaning in the IDP and budgets. Ideally, IDPs are meant to set the tone for climate change mitigation and adaptation, prioritise climate change activities, and indicate how resources are to be deployed to deal with the risks associated with climate change. As the sphere directly bearing the brunt of climate change, the question that begs the mind is: how responsive are municipalities to opportunities and threats posed by climate change? A municipality's responsiveness to climate change can be determined through its planning and budgeting processes that mainstream climate change obligations.

This policy brief evaluates the responsiveness of municipal IDPs and budgets to climate change. The brief is based on a comprehensive and systematic review of IDPs and the budgets of municipalities. The focus is on municipalities in KwaZulu-Natal (KZN), Western Cape, Eastern Cape, and Gauteng provinces that have been hardest hit by climate change hazards in the form of extreme droughts and floods. The frequent incidences and severity of these disasters in these provinces are there for all to see and are significantly undermining development and threatening resources, such as water and energy. These provinces have lost people, livestock, assets, and properties due to climate change impacts. Thus, it is essential to analyse the responsiveness of these provinces to climate change.

Local government is experiencing the burden of climate change first-hand, as it is the sphere closest to people. The rural poor, mainly, are most vulnerable as they depend significantly on climate-sensitive ecosystems for their livelihoods and have less financial means to withstand the impact of climate shocks. Additionally, urban inhabitants are at risk as climate-related disasters can affect urban infrastructure, water, and energy resources.

RESEARCH FINDINGS

To meet its international and national commitments with respect to climate change, South Africa has in place various legislation, policies, and institutional frameworks. However, translating these climate change initiatives and targets remains very weak. The literature reviewed and the case study analysis indicate that municipalities are aware of climate change and its impacts and the need to develop climate change responses, but fail to integrate this knowledge within their plans, implementation, funding, or even monitor and evaluation of the climate activities. In some instances, the failure to implement varies and includes difficulty in understanding the concept of climate change science, technical skills and capacity, and funding.

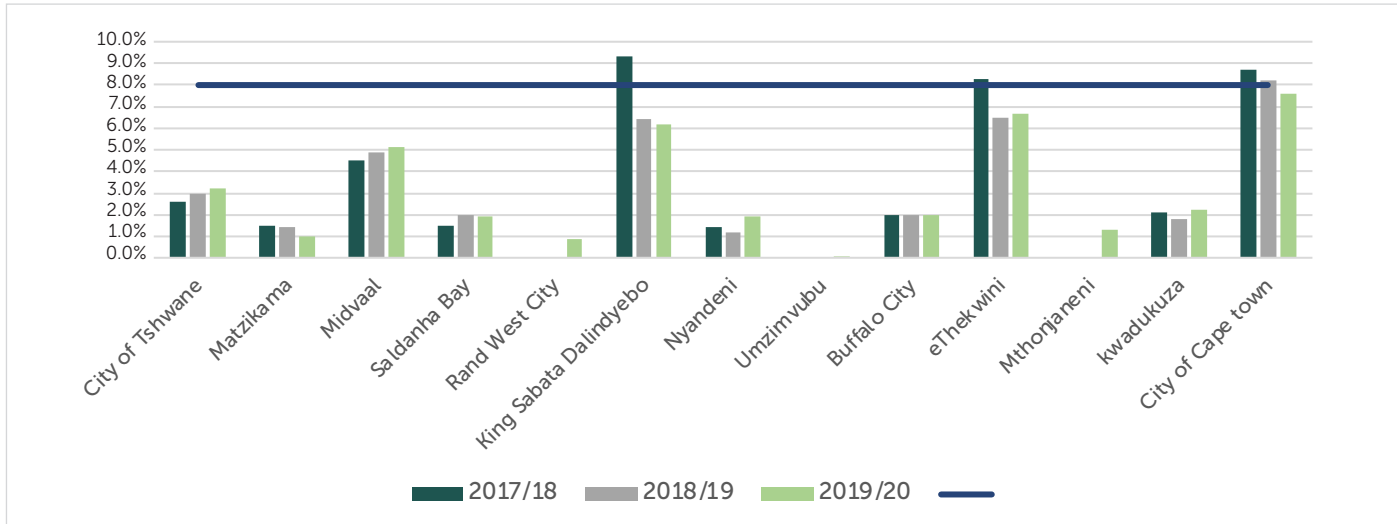
A case in point is the case study analysis on the IDP scores indicates glaring gaps in actioning, implementing and prioritising climate change response by municipalities. Some of the reasons for this are attributable to among others; lack of skills, delay in plans that need to be approved by the council, follow-up measures/ evaluation of existing plans, and dedicated units responsible for climate change. Additionally, what was found was that municipal response to climate change by these municipalities has been reactionary and there is a general lack of coordination on climate change actions and measures.

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A budget analysis review was undertaken to assess whether municipalities budget for climate change responses. The results indicate that where municipalities have a budget allocated for climate action responses, the amount is insignificant (1 per cent or less) in comparison to the total overall expenditure budget of the municipalities. Likewise, with repairs and maintenance on infrastructure, it was found that municipalities spent less than the 8 per cent (less than the required norm). Yet, the literature points out that proper infrastructure maintenance plays a significant role in addressing climate change impacts through investing in climate-resilient infrastructure in sectors such as energy/renewable energy and water/wastewater treatment for reuse.

Repairs & Maintenance



RECOMMENDATIONS

The Commission makes the following recommendations:

1. The Minister of Finance should create an enabling framework to ensure government budgets are climate sensitive and incorporate green budgeting measures across budget cycles, budget circulars, the medium term expenditure framework (MTEF), as well as Municipal Finance Management Act (MFMA) and Public Finance Management Act (PFMA) processes. Climate change indicators and targets should inform this process.
2. The National Department of Forestry, Fisheries & Environment (NDFF&E) and Cooperative Governance and Traditional Affairs (COGTA) should spearhead integration, coordination, and implementation of climate change responses so that it is in line with the national agenda on transitioning to a low carbon and resilient economy. The Department of Monitoring and Evaluation (DPME) and the Presidential Climate Commission (PCC) must monitor, evaluate and report on the progress made by subnational governments in integrating climate change responses in their respective planning documents. Committees at the legislatures and municipal councils should exercise their oversight role by ensuring that integration, coordination, and implementation of climate change responses take effect.
3. National Treasury, together with COGTA and the National Department of Public Works and Infrastructure (DPW&I), should, as a starting point, revise formats for the infrastructure grant frameworks to include climate change response specifications so as to be able to gradually achieve climate resilient infrastructure, with a strategic approach in the medium to long term of incorporating climate change mitigation and adaptation measures to all infrastructure related projects.

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