

NATIONAL

Ramaphosa announces new climate fund in wide-ranging Sona

The fund will enable the government to respond to natural disasters caused by climate change

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Picture: SUNDAY TIMES

In a sweeping speech that focused on the gains of the country since the dawn of democracy, President Cyril Ramaphosa opened the sixth national administration in Cape Town on Thursday night. He announced the government will establish a climate response fund to address the economic and social damage associated with harmful weather events.

Ramaphosa said on Thursday in his state of the nation address to both houses of parliament that the fund will be a joint collaboration between the government and the private sector to “address the persistent effects of global warming, which manifest themselves through persistent floods, fires and droughts.

“This will bring together all spheres of government and the private sector in a collaborative effort to build our resilience and respond to the effects of climate change.”

However, he did not elaborate on the scope, eligibility and operational elements of the fund or details on when it would be launched.

Climate adaptation funding — investment in actions that better prepare communities for the effects of climate change — has been lagging far behind mitigation financing in SA.

A report published in 2023 by the presidential climate commission on SA’s climate finance landscape said that for the period from 2019 to 2021, of the R131bn tracked annual climate finance in SA mitigation finance — money spent to lower greenhouse gas emissions — accounted for 81% of total spending while adaptation finance made up just 12% at R16bn a year. According to the report SA needs to be spending about R184bn a year between now and 2030 on adaptation.

Money from a climate change response fund could be used to better prepare communities, such as those in parts of KwaZulu-Natal that face an increased risk of severe flooding due to the effects of climate change. The disastrous floods that hit KwaZulu-Natal in 2022 caused 459 deaths and the cost of infrastructure and business losses is now estimated to have amounted to R38bn.

Climate change will affect the country’s economic growth and performance, according to G20 Climate Risk Atlas, which provides data and information on various climate scenarios and affects for each G20 country.

By 2050, the costs of climate change could range from €8bn to €12bn (3%-5% of GDP), depending on the scenario. By 2100, SA could lose up to 13.5% of GDP, or €33bn, under a high-emissions scenario.

From the onset of his five-year term, Ramaphosa said the government has had to put a stop to state capture and “to dismantle the criminal networks within the state and to ensure that perpetrators faced justice.

“We had to do that so that we could restore our institutions and rebuild our economy.”

Ramaphosa, who was the country’s deputy president for five years up to 2018, reiterated that the government would continue to take firm action against perpetrators of corruption and state capture during the tenure of former president Jacob Zuma.

“We set up the Investigating Directorate as a specialised and multidisciplinary unit within the National Prosecuting Authority [NPA] to investigate corruption and other serious crimes.

“More than 200 accused persons are being prosecuted. More are under investigation ... freezing orders of R14bn have been granted to the NPA’s Asset Forfeiture Unit for state capture-related cases, and around R8.6bn in corrupt proceeds have been returned to the state.

“A restored and revitalised Sars has collected R4.8bn in unpaid taxes as a result of evidence presented at the commission, while the Special Investigating Unit has instituted civil litigation to the value of R64bn.”

On logistics, Ramaphosa said SA is well poised to benefit from the shipping crisis along the Suez Canal as the country is able “to offer bunkering services for ships that will be rerouted via our shores”.

This is despite the port disruptions in Durban, Cape Town and Richards Bay, which peaked in December. These have not only robbed the economy of much-needed export receipts but have also tarnished SA’s reputation as a reliable trading partner, and risk eroding its trade competitiveness in the global economy.

“The number of ships waiting to berth at the Port of Durban — which has experienced severe congestion in recent months — has reduced from more than 60 ships in mid-November to just 12 ships at the end of January.

Transnet has appointed an international terminal operator to help expand and improve its largest terminal at the Port of Durban,” Ramaphosa said.

He also vowed to sign the contentious National Health Insurance (NHI) Bill into law as one of the final pieces of legislation before the end of his five-year term as head of state.

The NHI, aimed at ending the two-tier health system in SA, would lay the groundwork for sweeping reforms intended to realise the ANC government’s ambition for universal health coverage. This is despite pushback from opposition parties, business lobby groups and professional health bodies.

“We plan to incrementally implement the NHI, dealing with issues like health system financing, the health workforce, medical products, vaccines and technologies, and health information systems,” he said.

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