

QUICK BRIEF 2021

NBI
National Business Initiative



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South Africa's Nationally Determined Contribution: The Opportunity for Enhanced Ambition

On the 30th March 2021, the **Minister of Forestry, Fisheries and the Environment, Ms Barbara Creecy**, launched South Africa's draft **Nationally Determined Contribution (NDC)**, for public consultation.

As the global economy transitions to net-zero by 2050, **the National Business Initiative (NBI)** believes there is an opportunity for South Africa to access long-term trade and capital to support our transition. To date, nine of the largest economies in the world have committed to net-zero by 2050 and are looking to secure low-carbon goods that can help meet those goals. We see parallel commitment and activity from the global private sector. To access these new markets and capital, South Africa needs to position itself as a credible low-carbon market. To be credible, South Africa must show appropriate levels of ambition, take the lead, demonstrate what needs to be done and show what international support is required to achieve this outcome.

The lower bound on the NDC released for comment remains unchanged at a budget of roughly 10Gt, just outside the range of the fair share medians. This may be read internationally by key trading partners as lacking ambition and may impact the willingness to provide open access to international support for South Africa^[1]. Furthermore, the current NDC exists in the absence of a long-term 2050 target, something South Africa has not yet committed to achieving. However, South Africa's **Low-Emission Development Strategy 2050 (LEDS)** does state: "We thus commit to ultimately moving towards a goal of net-zero carbon emissions by 2050, which will require various interventions to reduce greenhouse gas emissions".

South Africa must enhance its ambition when the revised NDC is submitted prior to **COP26** taking place in Glasgow, UK in November 2021. The NBI believes that enhanced ambition will enable access to the trade and finance opportunities fundamental to transitioning our economy and maintaining its competitiveness. Our commitments

^[1] For example, climateactiontracker.org [updated view](#) on the draft NDC suggests a likely increase to "Insufficient" based on the range's upper limit.

should, however, be embedded in the practical realities of the technology and policy frameworks needed, as well as competitive financing required.

Our belief is that a net-zero economy would be more competitive and provide access to opportunity, with the preliminary outputs of the **NBI-BUSA-BCG Transitions Pathways Project** suggesting a **minimum** necessary ambition of 354 Mt in 2030, then to net-zero by 2050. This results in a carbon budget of 8.8 Gt, just within the fair share range. We should pursue all options to lower this further, as the NBI-BUSA-BCG team engage across a greater range of sectors, we will be able to identify options to bring this carbon budget down.

The NBI suggests that the NDC is updated to include a statement about net-neutrality by 2050 and we pursue all available efforts to bring our emissions closer to the bottom end NDC range of 340 Mt per annum.

After consultation, the NDC will be updated, approved by cabinet and submitted to the **United Nations Framework Convention on Climate Change (UNFCCC)** prior to COP26 in November 2021. Engaging on the NDC is an important activity for all businesses regardless of sector. Any company is able to engage as an independent business entity directly with government. Please watch their [website](#) for details. You can also engage through BUSA, the mandated business entity for negotiating policy with government. Please reach out to [BUSA](#) directly for information on their engagement process. **The deadline for submissions currently stands as 30 April 2021.**

To assist you in your preparations for engagement on the NDC, we have provided the following resources:

- A slide deck on the **[NDC Mitigation Component: The Opportunity of Enhanced Ambition](#)**
- A briefing note: ([Explanatory note on the South African updated NDC, released for comment in March 2021](#)), providing further detail on the NDC consultative process.

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The National Business Initiative (NBI) is an independent and voluntary coalition of South African and multinational businesses launched in 1995 by the then President, Nelson Mandela.

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