



PORTFOLIO COMMITTEE

Performance Report of the Environment sector and associated recommendations.

8 MARCH 2022

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planning, monitoring
& evaluation

Department:
Planning, Monitoring and Evaluation
REPUBLIC OF SOUTH AFRICA



CONTENT

1. PURPOSE AND FORMAT
2. MTSF 2014- 2019 CARRIED OVER INDICATORS TO 2019-2024
3. RESPONSE TO PREVIOUSLY RAISED ISSUES ON 26 NOVEMBER 2021
4. MTSF PROCESSES, PRIORITY REPORTING AND PROGRESS
5. BINDING CONSTRAINTS
 - EASE OF DOING BUSINESS
6. ASSESSMENT OF PROGRESS ON MAJOR INTERVENTIONS
7. RECOMMENDATIONS 2014-2019
8. PROPOSED PROCESS AND APPROACH TO POA RECOMMENDATIONS

PURPOSE AND APPROACH OF THE PRESENTATION

PURPOSE

- To brief the Portfolio Committee on the Environment, Forestry and Fisheries on performance report of Environment and Climate Change Sector coordinated by DFFE and associated recommendations
- Provide Response to previous Portfolio Committee questions emanating from the 2021.

APPROACH

- Response to previous Portfolio Committee questions
- Use persistent sector issues from the 2014-2019 MTSF carried forward items analysed against the 2019-2024 MTSF progress by the environment sector performance for 2021/22 performance.
- Provide sector performance MTSF progress report that will be building up to the MTSF mid –term review.

MTSF 2014- 2019 CARRIED OVER INDICATORS TO 2019-2024

- **Greenhouse Gas Emission reduction-** The MTSF target is to have emissions between 398 and 614 Mt CO₂-eq range actions in relation to the range. For the 2020/21 financial year, the sector set a target to report on the quantifying) estimating total emissions) as impact of implemented mitigation measures.
- **Climate change** - MTSF targeted 44 districts and 8 metros to be audited on maintenance of municipal infrastructure resilience and readiness for climate change disasters. During the first biannual reporting cycle there was no milestone and during the second biannual cycle an assessment study and recommendations for 44 Disaster management plans was undertaken and finalized.
- **Waste management** - It Is not clear as to what percentage target the sector has an annual target as there are different targets for national 20% (national), GP (12%), KZN (25%) and FS (10%) of waste diverted from the landfill sites. The value chain and linkages amongst the different spheres has a contribution to the low achievements by the sector.
- **Roles and responsibilities** clarification for industrial waste remained the challenge and aggravates the lack of set targets, the inadequate waste beneficiation process and its absorption to the industrial operations for new products and recycling and reuse by the citizen.
- The lower demands of available waste as a resource, are impacted by demand and supply as well as the price by commodities. The lower targets do not allow the waste industries.
- **Transition to low carbon economy** - Towards the development and implementation of 5 targeted sector job resilience plans for high carbon emitting sectors, the sector targeted to develop sector job resilient plans for the sector in question and to submit such to the Presidential Climate Change Coordination (PCCCC) work programme by end of the 2020/21financial year. 4 Adaptation plans completed for (Agriculture, Biodiversity, Health and Human Settlement,

RESPONSE TO PREVIOUSLY RAISED ISSUES

DPME must explain some of the terminologies used in the presentations:

- **Full time equivalent** refers to a number of person days equalling one year of work - FTE formula = 230 person days of work is equals to one FTE .
- **Work opportunity**" in a real time environment refers to the possibility or potential job. This is paid work created for an individual on an EPWP project for any period of time.
- **Were they also monitoring the quality of the jobs that were created under this portfolio?** The goal was to have sustainable, opposed to temporary, jobs and diversified sectors. No
- How much evidence was there to show that there were measures in place to secure jobs through the just transition programme. The process has started during the MTSF 2019-2024 reports. The January 2022 report has commenced with the means to get to those measures of **Just Transition and Sector jobs resilience plans**.
- Research (CSIR) had indicated that jobs in the renewable energy **sector were mostly temporary, especially during the construction phase. What was the DPME's view on the CSIR statement?.** This inference is too early hence the Just Transition Framework , job resilience and pathways are still to be concluded by the PCCCC.
- What indicators did the DPME have to examine in order to check whether the economic growth was inclusive or not? For example, were previously excluded land groups capacitated to meaningful participate in the energy sector? **Transversal indicators are used to cater for the inclusivity using set targets or quotas.**
- Did the DPME have the tools to check if the DFFE's medium- and long-term targets for 2014-2019 were realistic -- for example, jobs, economic growth and gross domestic product? **Triangulations of data from different data sources such StatsSA, Auditor General reports against the administrative data from the sector departments reports**
- DPME to look at the existing research -- especially the PWC or TIPS reports-- to find areas that needed to be prioritized, and to stop being frightened to move away from "dirty energy. **The DPME is part of the PCCCC that is working on developing Just Transition Framework and Sector Low Carbon Pathways that will used to during the review of the existing Just Transition, Vulnerable sector Job Resilience plans.**

Mid term and at full term

Conditionalities for MTSF Review:

- ✓ budget changes, change in plans / pathways, major disaster, configurations and concurrence
- ✓ There are no changes between the original and reviewed MTSF as there were no inputs by the sector
- ✓ The processes and mechanisms to hold all stakeholders accountable for their contribution to the national strategic vision are outlined in the Integrated Monitoring Framework
- ✓ The Budget Prioritisation Framework will be used as a mechanism to ensure that resources are allocated to priorities as reflected in the MTSF for the MTEF period.

1. November 2019 (MTSF 2019- 2024 approved by the Cabinet- 7 priority reporting approach

2. First biannual reports to Cabinet- 2020-21

The second biannual report- 2021-22.
WE ARE HERE

6. The fifth bi-annual 2023-24
End Term Report/ close out

4. The third biannual report- 2021-22

MID term Review

5. The fourth biannual report 2022-23

MTSF PRIORITIES:

- 1: Economic transformation and job creation
- 2: Education, skills and health
- 3: Consolidating the social wage through reliable and quality basic services
- 4: Spatial integration, human settlements and local government
- 5: Social cohesion and safe communities
- 6: A capable, ethical and developmental state
- 7: A better Africa and world

The cross cutting focus areas over the period of the MTSF are:

Women
Youth
Persons with disabilities

MTSF 2019-2024

Summary of MTSF Monitoring Priority Progress

PRIORITY		OVERALL PERFORMANCE AGAINST MTSF TARGETS				
		No. Targets Achieved	No. Targets in progress	No. Targets Not achieved	Number of targets planned	% Performance per Priority/ Ratings
1	22	10	1	33	66%	●
2	24	29	1	55	44%	●
3	37	44	16	97	41%	●
4	51	10	0	61	83%	●
5	25	31	18	78	32%	●
6	39	8	41	88	55%	●
7	10	3	5	18	56%	●
TOTAL	208	135	82	430	48%	●

● Red = less than half of the targets on track

● Amber = 50%-74% of targets on track

● Green = 75% or more of targets on track

Environment sector methodology and Performance Dashboard- Q4 (31 March 2021) was assessed against 2024 MTSF targets.

METHODOLOGY AND APPROACH

- Results-based management and Theory of Change remain the foundations for impact-based planning, monitoring and evaluation and the achievement of development results.
- Monitoring and analysis of lower order performance data can predict the achievement of higher order results allowing for early intervention towards intended results.
- Data collection, verification, validation, analysis, interpretation, synthesis, evaluation etc. - collect the right data at the right time.
- Evidence-based analysis, recommendations and decision-making using MTSF performance result to focus on the key ***structural or systemic issues hindering*** sectoral progress by the government programmes, through selected **reports analysis and site visits results recommendations**.

Priority 5 MTSF Summary					
Outcome	Number of targets	Targets on track	Targets lagging	No Progress	Achieved scale/ Status
Spatial Integration	11	1	7	2	9%
Rural Economy	22	5	9	7	23%
Environment Management	15	8	4	3	53%
Human Settlement	5	1	4	0	20%
Local Government	25	10	7	8	50%
Total for Priority 5	78	25	31	18	32%

Priority 2 MTSF Summary					
Outcome	Number of targets	Targets on track	Targets lagging	No Progress	Achieved scale/ Status
More decent jobs sustained and created	8	2	4	1	25%
Investing for accelerated inclusive growth	11	5	5	1	45%
Industrialisation, localisation and exports	8	3	1	4	38%
Improve competitiveness through ICT adoption, research and innovation	5	1	4	0	20%
Reduced concentration and monopolies and expanded small business sector	7	3	3	6	42%
Improved quality and quantum of investments	20	10	8	2	50%
Increased economic participation, ownership and access for women, youth and persons with disabilities	6	1	4	1	17%
Total for Priority 2	65	25	29	15	38%

Summary of performance across interventions

- **Sub-optimal performance:** Midway through the financial year, overall performance against targets in key economic outcome areas is sub-optimal with 29 of the 55 interventions (52.7%) lagging behind targets and less than half on track
- **GDP contraction:** After growing by less than 1% on average over the past 5 years to 2019, GDP contracted by 6.4% in 2020 due to the COVID-19 pandemic
- **Business confidence:** Weak growth, the July 2021 unrest and the slow pace of reforms have resulted in sustained low business confidence since 2008. This has impacted on investment levels (esp. private sector fixed investment). However, indications of recent improvements. While ERRP is seen as a comprehensive plan, poor implementation seen as a noose around SA's economic neck (recovery).
- In the absence of clear and demonstrable implementation of structural reforms timeously (One Environment System) and Ease of Doing Business
- Lack of sector coordination and collaborations business confidence will remain constrained, resulting in sustained low levels of investment and economic growth.

Priority Summary					
Outcome	Number of targets	Targets on track	Targets lagging	No Progress	
More decent jobs sustained and created	6	2	4	0	
Investing for accelerated inclusive growth	10	5	5	0	
Industrialisation, localisation and exports	4	3	1	0	
Improve competitiveness through ICT adoption, research and innovation	5	1	4	0	
Reduced concentration and monopolies and expanded small business sector	6	3	3	0	
Improved quality and quantum of investments	20	10	8	2	
Increased economic participation, ownership and access for women, youth and persons with disabilities	4	0	4	0	
Total for Priority 2	55	24	29	2	

Key

Red = less than half of the targets on track

Orange = 50%-74% of targets on track

Green = 75% or more of targets on track

Priority 5 Spatial integration, Human Settlement and Local Government

- Priority 5 interventions are based on the five strategic areas' use of spatial analysis and outcomes as the tool for socio-economic and inclusive development. The outcomes are to have the previously disadvantaged sections of South Africa's communities benefit from the development initiatives resultant from the spatial capacities of different localities whilst reversing the apartheid planning edifices and infrastructure framework to accommodate all South Africans equally.
- The impact of such initiatives is to have equal society and development informed by the existing spatial capabilities of different regions and districts of the country.
- The government programmes, budgets and strategies for different parts of the country's districts and regions, should therefore follow the spatial capabilities and analysis to ensure development is meaningful and impactful to meet current and future spatial plans.
- This is therefore evidence in the five strategic areas of the spatial transformation, human settlements, environment and sustainable development, rural economy and agrarian transformation, and local government and basic services areas.

Priority 5 MTSF Summary						
Outcome	Number of targets	Targets on track	Targets lagging	No Progress	Achieved scale	
Spatial Integration	11	1	7	2	9%	
Rural Economy	22	5	9	7	23%	
Environment Management	15	8	4	3	53%	
Human Settlement	5	1	4	0	20%	
Local Government	25	10	7	8	50%	
Total for Priority 5	78	25	31	18	32%	

Scale	Description
0-49%	Targets off track progress
50-74%	Target in progress but lagging
75-100%	Target on Track

JUST TRANSITION AND PLANS TOWARDS INDUSTRIALIZATION

- There is a good progress on masterplans although there concern on participation on Ocean Economy
- Transition Plans (Sector Jobs, Resilience Plans) are being implemented and will effects by the Just Transition pathways
- Adaptation sector plans developed and implemented- NDC approved, Just transition council in progress,
- Presidential Climate Change Coordinating Commission (PCCCC) has played a major role in issues of climate change in the country, it should continue being a center in climate change coordination.
- In the coal industry there are 200 companies, 2000 to 4000 workers that are likely to loose jobs if transition is not managed properly
- The Climate Change Bill has been presented in Cabinet Committee and approved by Cabinet on the 14th September 2021 for submission to Parliament
- Different Operation Phakisa programmes also forms part of the sector initiatives are reported as part of the MTSF reports.

PLAN	PROGRESS	STATUS
JUST TRANSITION PLANS	Metal	Completed and being implemented
	Coal	Completed and being implemented
	Petroleum	Completed and being implemented
	Agriculture	Completed and being implemented
	Tourism	Completed and being implemented
MASTER PLANS	Waste Economy	Consultant appointed, towards finalization of the plan
	Forestry	Approved and being implemented
	Ocean Economy	Being rolled out by government, most small-scale fisher did not attend while others were unable to attend due to poor communication from the department.

BINDING CONSTRAINTS

- SA's GHG emission reduction approach is not managed at a centralized point resulting in existing plans such as the "Just Transition and Job resilience" remain uncoordinated & unaccounted for
- Inter and intra-governmental departments externalities and internalities on cross functions remained intertwined leading to underperformances and dislocation in priorities.
- SA lacks an instrument or mechanism to account for the social effects of GHG emission
- Lack of role clarification on high level policy interventions for industry waste management.
 - ✓ Insufficient reporting on the implementation strategy National Waste Management strategy 2020, Chemical waste
- Inefficient “One Environment System” leading to conflicting decision by the sector departments’ participation and reporting to the sector coordinated reports by some sector department i.e. DMRE, DHSW&S.
 - ✓ Lack of streamlining of different interventions reporting of outcomes and impacts, leading to confusion on the reporting lines i.e Operation Phakisa reports are not forming part of ordinary reporting line leading to it missing
 - ✓ Insufficient reporting on sector plans and master plans interventions implementations’ outcomes and impacts not tracked or monitored (i.e. Water and Sanitation Masterplan, Ocean Economy Masterplan, Forestry Masterplan, Chemical and Waste Phakisa, Transport Master plan / including Green Transport Strategy have been in existence however their interventions.

EASE OF DOING BUSINESS

Ease of doing business covers two areas of priority reporting i.e Capable and ethical state and Economic Transformation and job creation.

With the incapable and uncoordinated departments, environmental authorization remained constraints with backlogs building up, that have a ripple negative effects to business growth and investment which ended up being strangle holds and not growing.

An improvement on environment authorizations using time factor has shown remarkable growth with the EIA's reaching 100% achievement milestones, it should be noted however that, the AELs are persistent worse performing authorization area with an average 39% achievement for both Q1 and 2. This is reflection of lack of capacities from the municipalities to manage this function, which also reflecting the shortcoming of support provision by the provinces. This need urgent intervention as it is taking place at the coalface where development should be taking place. The issue of different targets between the MTSF and APP targets plays a critical role on the inadequate performance from the environmental authorization.

Priority 1 and 2		A capable, ethical and developmental state and Economic Transformation and Jobs				
Outcome <i>Indicator/target</i>	Percentage of environmental authorisations finalised within timeframes					
Indicator	MTSF Target 2024	APP Target	Quarter 1	Quarter 2	Biannual Progress April - September 2021	
Percentage of environmental impact assessment (EIA) applications finalised within timeframes, reported quarterly from the National Environmental Assessment System	100%	100%	97% (521/535)	98% (514/526)	98% (1035/1061)	
Percentage of water use license applications (WULAs) processed	100%	80%	98% (164/168)	47% (166/356)	63% (330/524)	
Percentage of waste license applications finalized within legislated timeframes	95%	95%	95% (19/20)	91% (10/11)	94% (29/31)	
Percentage of Atmospheric Emission Licenses (AELs) with complete applications issued within legislated timeframes	100%		38% (29/76)	40% (32/80)	39% (61/156)	
Overall Progress	100%	100%	(92%) 733/1063	74% (722/973)	82% 1455/1772	

Assessment of progress on major interventions

- **Greenhouse Gas Emission reduction-** The MTSF target is to have emissions between 398 and 614 Mt CO₂-eq range actions in relation to the range. For the 2020/21 financial year, the updated inventory range of 512Mt is within set target resulted from implemented mitigation measures
- **Climate change - MTSF targeted 44 districts and 8 metros** to be audited on maintenance of municipal infrastructure resilience and readiness for climate change disasters. During the first biannual reporting cycle there was no milestone and during the second biannual cycle an assessment study and recommendations for 44 Disaster management plans was undertaken and finalized
- **Waste management –** clarity on the sector annual percentage targets at **different spheres of government based on** (30% (national), GP (12%), KZN (25%) and FS (10%) need to be provided and aggregated for waste diversion. The value chain and linkages amongst the different spheres of government and industry contribute in achieving the 30% sector target. The deferment of the Extended Producer Responsibility Schemes' implementation slowed down progress towards the sector targets achievements
- Roles and responsibility clarification for sector departments' Industry Waste Management (DTIC, DMRE & DFFE) remained the challenge, leading to inadequate waste beneficiation and absorption to **the industrial operations for new products, recycling and reuse**
- **The lower demands of available waste as a resource**, influenced by demand and supply as well as the price variations by commodities. Lack of markets for products made of recycled materials (green procurement) need unblocking.
- **Transition to low carbon economy –** Development and implementation of **4 transition plans** for high carbon emitting sectors:
 - ✓ **5 Targeted sector job resilient plans (TIPS)** for the sector to be submitted to the Presidential Climate Change Coordination (PCCCC) by end of the 2020/21financial year (The 5 SJRP were developed as part of *National Employment Vulnerability Assessment i.e an Analysis of potential climate-change related impacts and vulnerable groups*. The question remains though, how far are we with Developing transition plans for high carbon emitting sectors? Are the SJRP also Transition plans?
 - ✓ **4 Adaptation plans for vulnerability** Plans for completed for (Agriculture, Biodiversity, Health and Human Settlements), **no progress report on implementation of both SJRP and Adaptation plans provided.**

RECOMMENDATIONS

- A study must be undertaken by DFFE on the options of centralization (by mid 2022/23)
 - ✓ give account on the progress and performance of the Just Transition plans under their custodianship in terms of each plan contribution to a) emission reduction, b) economic contributions, and c) Industrialization and localization
 - ✓ provide development options using pathways as emerging from the PCCCC work (by end of 2022/23).
- Ministers of DTIC, DMRE, DEL, DPE, DFEE & DALRRD (working with industry) must implement the existing sector specific “Job resilience plans”, ensure coordination & also account for the progress in these sectors
- Finalise the role clarification & develop actions plans with regards to industrial waste management
- Develop & monitor the implementation of an action plan to resolve the backlog associated with Water Use and Waste licenses resulting from the impasse when the functions were not properly undertaken as part of collective sector targets.
- Build capacity of concurrent (Provincial and local government spheres) to anchor and bolster implementation of the transversal interventions.

Environment and Climate Change- Recommendations

- With respect to an economy-wide Just Transition for the country, the following should be developed:
 - ✓ Just transition pathways toward a Net-Zero economy and society informed by visions of an ideal future socio-economic reality of the country;
 - ✓ A just transition framework for the implementation of the just transition pathway actions towards a Net-Zero economy and society led by the Presidential Climate Commission (PCC);
 - ✓ A resource mobilization plan for the implementation of the just transition framework;
- Enhanced coordination across spheres of government through the following:
 - ✓ Allocation SETs (ensuring alignment with the MTSF)
 - ✓ Coordination of climate change response implementation
 - ✓ Capacity support for the spheres of government in terms of climate change response
- Ministers of DTIC, DMRE, DEL, DPE, DFFE & DALRRD (working with industry) must implement the existing sector specific “Job resilience plans”, ensure coordination & also account for the progress in these sectors
- Finalise the role clarification & develop actions plans with regards to industrial waste management
- Develop & monitor the implementation of an action plan to resolve the backlog associated with Water Use and Waste licenses resulting from the impasse when the functions were not properly undertaken as part of collective sector targets.
- Build capacity of concurrent (Provincial and local government spheres) to anchor and bolster implementation of the transversal interventions.
- Scaling up on the resource mobilization programmes for the implementation of the policies, strategies and programmers' massification objectives.

Proposed process and Approach to POA recommendations closure

- Scaling up sector coordination and collaborations on the implementation of transversal government departments programmes across different spheres
- The DG's offices for the sector departments identified in the report to meet sooner to undertake the following:
 - ✓ To achieve concurrence on the identified issues
 - ✓ Identify critical milestones to enable closure of the identified key issues
 - ✓ Align the identified actions to the departmental APPs for efficient execution, budgeting allocations and resourcing
 - ✓ The sector Departments to come up with time frames and deliverable on the implementation of the recommendations.
- Executive to note and approve the content, processes and approach that DG's has formulated on the following:
 - ✓ Policy issues and administrative issues that lead to the identified recommendations to be outlined
 - ✓ Key milestones to address the identified areas are presented to the Executive for approval and implementation coordination and collaboration and concurrence at different spheres of government.



THANK YOU