

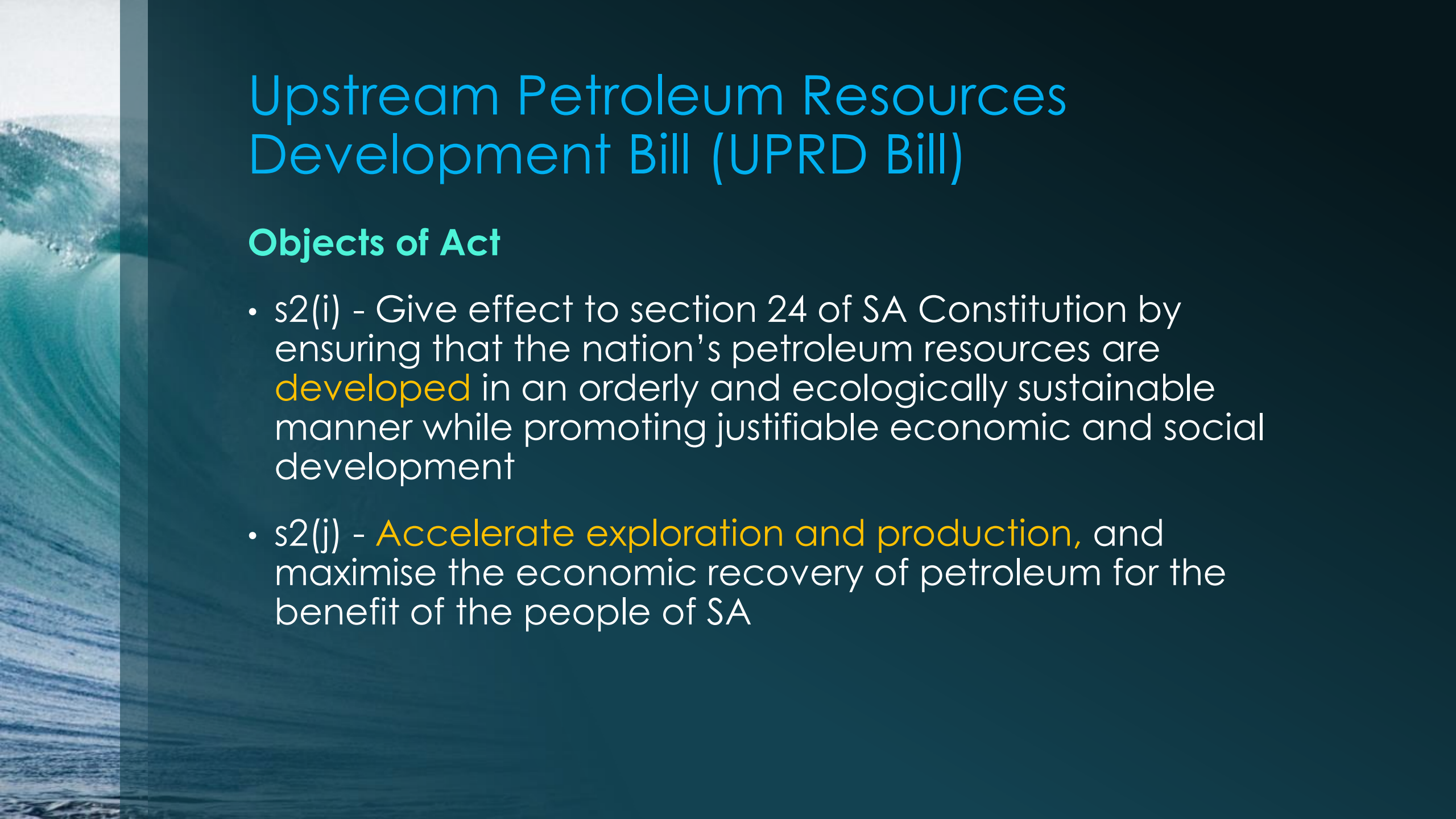


**Presentation to the  
Portfolio Committee on  
Minerals & Energy:**

**Petroleum Resources  
Development Bill B13-  
2021**

The Green Connection

18 Nov 2022



# Upstream Petroleum Resources Development Bill (UPRD Bill)

## Objects of Act

- s2(i) - Give effect to section 24 of SA Constitution by ensuring that the nation's petroleum resources are **developed** in an orderly and ecologically sustainable manner while promoting justifiable economic and social development
- s2(j) - **Accelerate exploration and production**, and maximise the economic recovery of petroleum for the benefit of the people of SA



# UPRD and the Climate Crisis

## IPCC 6<sup>th</sup> Assessment Report (AR6)

- Human influence has warmed the atmosphere, oceans and land resulting in widespread changes
- Scale of recent changes unprecedented
- Climate Change already affecting and intensifying many weather and climate extremes (floods, heatwaves, tropical cyclones)
- Deep cuts in CO<sub>2</sub> and other GHGs required to limit global warming to 1.5° C
- Need to limit CO<sub>2</sub> and Methane emissions to limit global warming



# UPRD and the Climate Crisis...

## IPCC 9 Aug 2021

- Unless there are **immediate, rapid and large-scale reductions in GHG emissions**, limiting global warming to 1.5°C or even 2°C will be beyond reach

## UN Secretary-General António Guterres

- AR6 report nothing less than "a **code red for humanity**. The alarm bells are deafening, and the evidence is irrefutable".
- "Climate activists are sometimes depicted as dangerous radicals. But the **truly dangerous radicals are the countries that are increasing the production of fossil fuels**. Investing in new fossil fuels infrastructure is moral and economic madness"
- **Investing in fossil fuels is now a dead end** - economically and environmentally.



# UPRD and the Climate Crisis...

## COP26

- Recognised the climate crisis and the urgent need to increase efforts to address climate change
- Alarm that human activities have already resulted in around 1.1° C global warming
- Limiting global warming to 1.5°C requires rapid, deep and sustained reductions in global GHG emissions (including 45 % reduction in CO<sub>2</sub> by 2030 relative to the 2010 level and to net zero around mid-century)
- Parties called on to accelerate transition to low-emission energy systems (clean power generation and energy efficiency measures)
- Need to protect natural ecosystems (incl. marine ecosystems) to act as sinks and reservoirs for GHGs.



# UPRD and the Climate Crisis...

International Energy Agency (IEA) July 2021

- To have a fighting chance of reaching net zero by 2050 requires nothing short of a total transformation of the energy systems that underpin our economies
- No need for investment in new fossil fuel supply in the IEA's net zero pathway
- Beyond projects already committed as of 2021, there are no new oil and gas fields required



# UPRD and the Climate Crisis...

## **Climate Change Bill**

- No mention of climate change in UPRD Bill
- No attempt to align UPRD Bill with Climate Change Bill
- No reference made to sectoral targets that will be set for petroleum resource sector



# UPRD and the Climate Crisis...

## SA's international climate change commitments

- Not mentioned in UPRD Bill
- SA Party to UNFCCC – enjoins state parties to take precautionary measures to anticipate, prevent and minimise the causes of climate change
- SA ratified Kyoto Protocol and adopted Paris Agreement – has committed to working with others to ensure temperature increases are kept well below 2°C above pre-industrial levels... by reducing GHG emissions



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# UPRD and the Climate Crisis...

## Nationally Determined Contribution (NDC)

- NDC not mentioned in UPRD Bill
- SA's intended NDC was submitted in 2015, and updated in 2021 with more ambitious mitigation targets.
- President Ramaphosa – “South Africa is fully committed to achieving the most ambitious end of the mitigation range in our updated Nationally Determined Contribution” (statement at UN Climate Change Conference - 9 Nov 2022)
- SA's energy sector contributes about 84% to our overall GHG emissions (including CO<sub>2</sub> and Methane)



# UPRD and the Climate Crisis...

## SA Low Emission Development Strategy 2050

- SA - as one of the top 20 global GHG emitters and with a high dependency on fossil fuels - will need to make substantial emission cuts to contribute its fair share to global GHG emission reductions



## UPRD and the Climate Crisis...

- UPRD Bill does not address how future GHG emissions – resulting from the exploitation and use of oil and gas that may be discovered through accelerated exploration for and production of petroleum - will impact on SA's ability to achieve its GHG emission targets
- Risk of oil and gas investments (which can take 10 years to reach production stage) becoming stranded assets and a burden on future generations
- No accounting for externalised socio-economic cost of carbon emissions
- Serves vested interests of multinational and domestic companies seeking to profit from exploitation of fossil fuels



# UPRD and the Climate Crisis...

The GC submits that:

- In the context of the 'climate crisis', the unconstrained and accelerated exploration for and production of petroleum resources is not ecologically sustainable development and use of natural resources, and does not constitute justifiable economic and social development (s24 Constitution)
- The UPRD Bill should be clearly aligned with SA's international climate change commitments
- The UPRD Bill should provide an appropriate framework for a rapid and just transition away from fossil fuel extraction, production and use, and towards ecologically sustainable renewable energy

# Role of PASA

- PASA's functions expanded from those contained in MPRDA

These (sometimes conflicting) functions include:

- Decision making powers (statutory and delegated):
- Technical advisory functions
- Formulation of exploration and license allocation strategies
- Receiving and processing applications, and making recommendations to the Minister for permits and rights
- Monitoring and enforcement of compliance



# Mandatory powers of the Minister

- UPRD Bill retains mandatory power (obligation) of the Minister to grant a reconnaissance permit (section 39) and a petroleum right (section 44) where certain prescribed conditions are met



# UPRD Bill and Public Participation

- s19 requires PASA to call on I&APs to submit comments on and objections to specified applications
- No requirement for application and sufficient information to be provided to I&APs to inform their comments
- No requirement for notice to include appropriate forms of notice to rural or historically disadvantaged communities, including small-scale fishers
- No requirement to notify I&APs of decision
- s20 includes notification requirements iro landowner, lawful occupier and any affected party – term ‘affected party’ not defined

# Other

## Frontier (s8)

- Requirement for PASA to designate any areas, block or blocks over which there is no or limited knowledge of the geology as 'frontier'
- Perpetuates 'open season' for further unconstrained petroleum resource development
- In tension with need to phase out fossil fuel exploration and production in accordance with SA's international climate change commitments

## Funding of PASA (s11)

- New methods to fund PASA, including application fees and revenue from sale of petroleum geo-data
- In tension with other functions, such as evaluation permit and right applications, monitoring, enforcement of compliance



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# Consultation on UPRD Bill

Concern over that there has not been meaningful consultation

- Comment period too short given length and technical complexity of the UPRD Bill
- Concern that many small-scale fishers and fishing dependent communities – who depend on the ocean for their livelihoods which could be adversely impacted – do not appear to have not a meaningful opportunity to participate (lack of electronic resources, notification through community notices, radio, TV)



Thank you