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TRANSITION PATHWAYS

Implications of the Climate Change Act for South Africa's Ocean Economy

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SUMMARY

- ❖ South Africa relies heavily on its ocean economy for economic growth and livelihoods, with activities such as trade, tourism, fishing, and port operations contributing significantly to the national economy.
- ❖ South Africa's ocean economy faces significant challenges from pollution, overfishing, climate change, and disease outbreaks, threatening marine ecosystems, economic activities, and public health.
- ❖ The Climate Change Act aims to address climate challenges in South Africa through measures like adaptation strategies and emissions regulation, fostering resilience and transitioning to a low-carbon economy.
- ❖ The Climate Change Act's impact on South Africa's ocean economy includes regulatory compliance measures, potential job displacement due to shifting demand in employment, and the need to adapt to new environmental standards.

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1. Introduction

The escalating impacts of climate change, including rising sea levels, extreme weather events, and shifts in marine ecosystems, necessitate robust policy responses. In this context, in July 2024, the South African government enacted the Climate Change Act, aimed at mitigating these effects and promoting sustainable development.

The ocean economy is a cornerstone of South Africa's economic landscape, encompassing vital sectors such as fishing, marine transport and manufacturing, offshore oil and gas exploration, marine protection services and ocean governance, coastal and marine tourism and small harbour development.¹ These sectors not only contribute significantly to the nation's GDP but also provide livelihoods for millions of South Africans. Given the ocean economy's vulnerability to climate change, the Climate Change Act carries significant implications for these industries and their workforces.

This policy brief aims to explore the potential impacts of the Climate Change Act on the labour market within South Africa's ocean economy. It will examine how new regulations and sustainability measures may affect employment, job roles, and skills requirements across various ocean-related sectors. By providing a detailed analysis, this brief seeks to inform policymakers, industry stakeholders, and labour representatives, helping them navigate the transition towards a more sustainable and resilient ocean economy.

2. Overview of the Climate Change Act

2.1 The Preamble

The object of the Act, as expressly stated in its preamble, is to 'enable the development of an effective climate change response and long term, just transition to a low-carbon economy and society for South Africa in the context of sustainable development; and to

¹ Climate Change Act 22 of 2024.

provide for matters connected therewith'.² Furthermore, the preamble outlines the legislative framework by introducing the fundamental principles, justifications, and commitments that underpin the Act.

2.1.1 Constitutional Rights and Environment:

The preamble begins by affirming the Constitutional right of every person to an environment that is not harmful to their health and well-being. It emphasises the duty to protect the environment for current and future generations.³ There is further emphasis on achieving ecological sustainability in the use of natural resources while also promoting economic and social development in a justifiable manner.⁴

2.1.2 Urgent Threat of Climate Change and the Impact of Climate Variability:

The preamble recognises climate change caused by human activities as an urgent threat that requires a progressive and incremental response.⁵ This urgency necessitates effective legislative action. Moreover, the preamble outlines the broad impacts of climate variability, including extreme weather events that affect human health, food and water access, biodiversity, ecosystems, coastal infrastructure, and human settlements. Thus, the anticipated impacts of climate change are noted to have the potential to undermine South Africa's developmental goals, indicating the severity of the threat.

² Climate Change Act 22 of 2024.

³ Climate Change Act 22 of 2024.

⁴ Climate Change Act 22 of 2024.

⁵ Climate Change Act 22 of 2024.

2.1.3 South Africa's Role and Vulnerability:

First, South Africa acknowledges its role in the global effort to reduce greenhouse gas emissions, which are identified as the primary drivers of climate change. The country commits to implementing appropriate mitigation measures. Thereafter, the preamble highlights South Africa's particular vulnerability to the impacts of climate change, which necessitates urgent and appropriate adaptation measures.⁶ Furthermore, South Africa's obligations under international agreements, such as the Paris Agreement, are emphasised. The country commits to effective national responses encompassing both mitigation and adaptation actions, contributing fairly to the global effort.

2.1.4 National Priorities and Just Transition:

Implementing an effective climate change response is highlighted as a national priority, as set out in the National Climate Change Response White Paper.⁷ South Africa's commitment under the Paris Agreement involves significant socio-economic and environmental benefits, driven by national circumstances and aimed at a just transition to a low-carbon economy. The preamble stresses a transition that is climate-resilient, equitable, and competitive, balancing risks and opportunities.

2.1.5 Governance Challenges and Coordination:

Addressing climate change poses unique governance challenges, transcending traditional sectoral approaches. It requires coordinated and cooperative legal and administrative responses. The significant roles of provincial and municipal governments are acknowledged, with reference to the Intergovernmental Relations Framework Act.

⁶ Climate Change Act 22 of 2024.

⁷ Climate Change Act 22 of 2024.

2.1.6 Legal and Institutional Framework:

The preamble concludes by stating the necessity of developing a legal and institutional framework for the national climate change response. This framework is essential for addressing the outlined issues and ensuring that climate policy aligns with sustainable development and national goals.

3. Legislative Analysis

3.1 Chapter 1 - Clause 1 to 6:

This chapter encompasses the interpretations, objects and application of the Act. The Act is binding within the borders of the Republic and binds all organs of state as contemplated in section 239 of the Constitution of the Republic of South Africa, 1996 (hereafter referred to as the Constitution). It further provides that the Executive Director of the Presidential Climate Commission must submit to the Minister a report on its activities and the performance of its functions and its expenditure at the end of every quarter. Moreover, it provides for annual audits which are to be tabled by the Minister to the National Assembly. Thereafter, it is provided that the Act is to be read, interpreted and applied in conjunction with the National Environmental Management Act 17 of 1998. Should there be conflicting provisions in other legislation, when enacted, this Act will prevail.

3.2 Chapter 2 - Clause 7 to 14:

The Act places a legal obligation on every organ of state to coordinate and harmonise their various policies, plans, programs, decisions, and decision-making processes relating to climate change, ensuring that the risks of climate change impacts and associated vulnerabilities are considered and that the principles and objectives of the Act are realised. It requires existing Premier intergovernmental forums established under the Intergovernmental Relations Framework Act, 2005 (IGRFA), to also serve as Provincial

Forums on Climate Change, tasked with coordinating climate change actions in the relevant province and reporting to the President's Coordinating Council. Similarly, all district intergovernmental forums under the IGRFA are to serve as Municipal Forums on Climate Change, coordinating climate change actions in the relevant municipality and reporting to the relevant Provincial Forum on Climate Change. The Act establishes the Presidential Climate Commission, comprising organised labour, civil society, and business representatives, to advise on the Republic's climate change response. The functions of the Presidential Climate Commission include advising on climate change responses to ensure effective action and a just transition to a climate-resilient, low-carbon economy and society. The process for appointing members to the Presidential Climate Commission is outlined, and the President may require the Commission to report on matters related to reducing greenhouse gas emissions and adapting to climate change effects. Additionally, the Act provides for the necessary administrative and secretariat support for the functioning of the Presidential Climate Commission.

3.3 Chapter 3 - Clause 15 and 15A:

The Act requires the MEC responsible for the environment or the Mayor of a District or Metropolitan municipality to conduct a climate change needs and response assessment within one year of the publication of the National Adaptation Strategy and Plan. Within two years of this assessment, they must develop a climate change response implementation plan. The clause outlines the required content of both the climate change needs and response assessment and the climate change response implementation plan. Additionally, the climate change response implementation plan must be integrated into the relevant environmental implementation plan of the Province or the integrated development plan of the District or Metropolitan Municipality. Furthermore, the Act provides for a financial mechanism, to be

prescribed by the Minister, to support and finance the Republic's climate change response.

3.4 Chapter 4 - Clause 16 to 20:

The Act establishes adaptation objectives for the Republic, which are intended to guide the adaptation response and include indicators for measuring progress. The Minister must determine when these objectives should be integrated into national planning instruments, policies, and programs. The Minister is also required to develop adaptation scenarios within one year of the Act coming into operation, anticipating the impacts of climate change over the short, medium, and long term. These scenarios must consider relevant factors and include specified minimum content. Additionally, the Minister, in consultation with other relevant ministers, must establish a National Adaptation Strategy and Plan, detailing its purpose and contents.

Within one year of publishing the National Adaptation Strategy and Plan, ministers responsible for functions listed in Schedule 2 must assess their vulnerabilities to climate change and develop Sector Adaptation Strategies and Plans based on these assessments. These ministers are also required to report on progress and periodically review and amend their Sector Adaptation Strategies and Plans if necessary. Furthermore, the Minister is empowered to request and obtain necessary data and information from any person to fulfil the requirements of the National Climate Change Response White Paper and is responsible for compiling and publishing a Synthesis Adaptation Report.

3.5 Chapter 5 - Clause 21 to 26:

The Act empowers the Minister, in consultation with Cabinet, to determine a national greenhouse gas emissions trajectory for the Republic and mandates regular

reviews every five years. Until this trajectory is established, an interim trajectory outlined in Schedule 3 will apply. Additionally, the Minister has the authority to designate sectors and subsectors subject to sectoral emissions targets, aligning them with the national trajectory and requiring annual progress reports from relevant Ministers to Cabinet.

Furthermore, the Minister is tasked with publishing lists of greenhouse gases and emitting activities contributing to climate change, allocating carbon budgets to entities engaged in these activities, and overseeing the phase-out or phase-down of synthetic greenhouse gases. This involves developing plans subject to periodic review every five years. Additionally, the Act outlines procedures for the development and compilation of the National Greenhouse Gas Inventory and Annual Greenhouse Inventory Report.

3.6 Chapter 6 - Clause 27 to 35:

The Act empowers the Minister to develop regulations for implementing the Act. Consultation processes are outlined for the Minister, MECs, or mayors when exercising powers under the Act, ensuring appropriate engagement with relevant stakeholders. Public participation processes are delineated for exercising powers listed in the clause. The Minister and MECs are authorised to delegate powers vested by the Act in accordance with relevant provisions. Access to information is addressed, subject to existing legislation. Offences and penalties under the Act are specified. Appeals against decisions made by delegated authorities can be made to the Minister or MEC, processed according to specified procedures. Savings and transitional provisions are included for existing regulations, ensuring their continued validity until amended, replaced, or repealed. Lastly, the short title and commencement date of the Act are provided.

4. The Ocean Economy of South Africa

4.1 South Africa's Reliance on its Ocean Economy:

South Africa boasts a significant maritime history, with an extensive coastline spanning 3924 kilometres and an Exclusive Economic Zone (EEZ) covering approximately 1.54 million square kilometres, surpassing its land territory.⁸ The EEZ grants South Africa jurisdiction over vast sea areas and rights to develop marine resources, contributing to considerable ocean-based traffic and activity, with an estimated 30,000 vessels navigating through its waters annually.⁹ The country relies on eight major seaports, including Durban, Africa's busiest, handling over 87 million tons of cargo yearly.¹⁰ Coastal waters support around 316,000 jobs and contribute millions to the national economy, with coastal resources estimated to contribute about R57 Action annually, accounting for approximately 35% of South Africa's GDP.¹¹ Despite the economic benefits, challenges such as overfishing and biodiversity loss persist, impacting coastal ecosystems and livelihoods.¹² There are six key sectors in South Africa's Ocean Economy, namely, marine transportation and manufacturing, offshore oil and gas exploration, fisheries and aquaculture, marine protection and

⁸ Miemie Struwig, Amanda Van den Berg & Nomtha Hadi 'Challenges in the ocean economy of South Africa' (2024) Development Southern Africa, 41:1, 1-1.

⁹ Miemie Struwig, Amanda Van den Berg & Nomtha Hadi 'Challenges in the ocean economy of South Africa' (2024) Development Southern Africa, 41:1, 1-1.

¹⁰ WWF-SA, 'Ocean facts and futures, valuing South Africa's ocean economy.' <https://www.wwf.org.za/?19001/Oceans-facts-and-futures-Valuing-South-Africa-ocean-economy> (accessed 15 May 2024).

¹¹ WWF-SA, 'Ocean facts and futures, valuing South Africa's ocean economy.' <https://www.wwf.org.za/?19001/Oceans-facts-and-futures-Valuing-South-Africa-ocean-economy> (accessed 15 May 2024).

¹² Miemie Struwig, Amanda Van den Berg & Nomtha Hadi 'Challenges in the ocean economy of South Africa' (2024) Development Southern Africa, 41:1, 1-1.

governance, small harbour development and coastal and marine tourism.¹³

4.2 Challenges to the Ocean Economy in South Africa:

There are four major challenges which threaten South Africa's vast ocean economy. Pollution, predominantly from land sources, affects the ocean's health, with changing ocean chemistry due to carbon absorption posing a significant threat.¹⁴ Illegal, unreported, and unregulated fishing contributes to overfishing and threatens the sustainability of fish stocks. Climate change exacerbates these challenges by raising sea surface temperatures and causing ocean acidification, impacting marine ecosystems and biodiversity.¹⁵ Disease events, such as epidemics, have far-reaching socio-economic impacts beyond direct health effects, highlighting the interconnectedness of global challenges.¹⁶

¹³ WWF-SA,. Ocean facts and futures, valuing South Africa's ocean economy. <https://www.wwf.org.za/?19001/Oceans-facts-and-futures-Valuing-South-Africa-ocean-economy> (accessed 15 May 2024).

¹⁴ WWF-SA,. Ocean facts and futures, valuing South Africa's ocean economy. <https://www.wwf.org.za/?19001/Oceans-facts-and-futures-Valuing-South-Africa-ocean-economy> (accessed 15 May 2024).

¹⁵ WWF-SA,. Ocean facts and futures, valuing South Africa's ocean economy. <https://www.wwf.org.za/?19001/Oceans-facts-and-futures-Valuing-South-Africa-ocean-economy> (accessed 15 May 2024).

¹⁶ WWF-SA,. Ocean facts and futures, valuing South Africa's ocean economy. <https://www.wwf.org.za/?19001/Oceans-facts-and-futures-Valuing-South-Africa-ocean-economy> (accessed 15 May 2024).

5. The Impact of the Climate Change Act on South Africa's Ocean Economy - Challenges and Recommendations

5.1 Impactful Chapter on South Africa's Ocean Economy - Chapter 2 (Clause 7 to 14)

Chapter 2 is likely to have the most significant impact on South Africa's ocean economy. This chapter mandates that all state organs coordinate their policies, plans, and programs to address climate change, ensuring that climate risks and vulnerabilities are considered in decision-making processes.¹⁷ The establishment of Provincial and Municipal Forums on Climate Change, reporting mechanisms, and the Presidential Climate Commission emphasizes a structured and comprehensive approach to climate change response.¹⁸

5.1.1 Coordination and Harmonisation:

This chapter of the Act mandates various government entities to work together on climate change actions, which is crucial for the ocean economy affected by multiple sectors, including fisheries, tourism, and coastal infrastructure.

5.1.2 Reporting:

Provincial and municipal forums must report on climate change actions, helping monitor and manage the ocean economy's adaptation and mitigation strategies.¹⁹

5.1.3 Presidential Climate Commission:

This body must advise on climate change responses, promoting a just transition to a

¹⁷ Climate Change Act 22 of 2024.

¹⁸ Climate Change Act 22 of 2024 sections 7 to 9.

¹⁹ Climate Change Act 22 of 2024 sections 8 and 9.

low-carbon economy, directly affecting industries like shipping, port operations, and marine resources management.²⁰

5.2 Regulatory Compliance:

The Act introduces new regulations and requirements for industries operating within the ocean economy, such as fishing, aquaculture, and offshore energy production.²¹ Compliance with these regulations could increase operational costs and administrative burdens for businesses. Thus, I would recommend that support and guidance is provided to ocean-based industries to ensure smooth compliance with new regulations. Offer incentives for businesses that adopt sustainable practices to mitigate climate change impacts.

5.3 Employment Instability:

New regulations and shifts in industry practices due to climate change may affect job stability within the ocean economy sectors. For example, changes in fishing quotas or the introduction of renewable energy projects offshore could impact employment levels in fishing communities or among marine energy workers. Therefore implementing measures to ensure job security and protect workers rights during transitions within the ocean economy is of utmost importance. This could include offering retraining programs, facilitating job placement services, and providing financial assistance to affected workers.

5.4 Shift in Employment Demand:

The implementation of climate change adaptation and mitigation measures, such as renewable energy projects or marine conservation efforts mandated by the Climate Change Act, could lead to shifts in demand for labour within the ocean economy. For

example, there may be increased employment opportunities in sectors like offshore wind energy or coastal restoration, while traditional sectors like fishing or port operations may experience changes in workforce requirements. Thus, the need for skills development and transition support is required to ensure an equitable shift in demand and to support those who may be potentially displaced from the traditional roles in the ocean economy.

6. Conclusion

In conclusion, the Climate Change Act is a significant step for South Africa in tackling climate change and fostering sustainable development, including in the ocean economy. Its provisions, such as setting adaptation objectives, developing strategies, and regulating emissions, aim to mitigate climate impacts and promote a transition to a low-carbon economy. While these measures may affect employment demand, job displacement, and worker support in the ocean economy, proactive management can ensure resilience and inclusivity amidst climate challenges.

²⁰ Climate Change Act 22 of 2024 section 10.

²¹ Climate Change Act 22 of 2024 section 4.