



Economic issues

- **South Africa is missing opportunities to promote effectively the 'green growth' that the New Growth Path (NGP) projected would deliver 300 000 jobs between 2010 and 2015**, the Organisation for Economic Co-operation and Development (OECD) says in its first environmental performance review of the country. While the Department of Environmental Affairs has set aside R800m to be spent on the 'green economy' over the 2012-2015 period, the OECD says there is a need to 'scale up private finance for environment-related investment'. This is partly borne out by research showing reluctance in the private sector in SA to undertake fixed-capital investment. The OECD has warned, in its assessment, that SA's 'transition to a low-carbon, resource-efficient and equitable economy will require substantial investments in energy, transport and environmental infrastructure (water, sanitation, waste management)', and that 'weaknesses in planning, implementation and monitoring capacity have slowed down implementation, especially at local level, and discouraged private sector investment'. The organisation's environmental performance reviews identify good practices and make recommendations to improve the reviewed country's environmental policies. (Extracted from <http://www.bdlive.co.za/economy/2014/01/14/sa-missing-green-growth-opportunities>).
- According to a study by [Bloomberg New Energy Finance](#) (BNEF), **unsubsidised renewable energy in Australia is now cheaper to produce than electricity from unsubsidised fossil fuels**. BNEF research has found that electricity from new wind farms can be supplied at a cost of \$80 per megawatt hour. This compares favourably with \$143 per megawatt hour for electricity from a new coal plant, and \$116 per megawatt hour from a new baseload gas-fired power plant. These calculations do include the cost of carbon emissions under the previous Gillard government carbon pricing scheme, something the new Abbott government campaigned heavily for dumping. BNEF's research found that the cost of wind generation in Australia has fallen 10% since 2011, and the cost of solar panels has dropped by nearly a third (29%). In comparison, the costs of extracting and burning fossil fuels to generate electricity are climbing. The research calculates that by the end of the decade, large-scale solar panel projects will be cheaper than gas and coal, when inevitable carbon prices are factored in.

Social issues

- The brochure [What is resilience?](#) (pdf, 13.7 MB), based on research conducted at the Stockholm Resilience Centre, **summarises the three major strands in resilience thinking and social-ecological research**. In three short chapters it describes humanity's impact on the Earth system, and ideas on how to handle the resulting challenges. Chapter one describes the complex interdependencies between humans and nature. There are today no ecosystems that are not in some way shaped or affected by human activity, and no people living independently of ecosystems and the services they provide. Chapter two describes the astounding human development and how it leaves its marks on the planet. The chapter introduces the challenges and opportunities connected to the 'Great Acceleration' and the Anthropocene. Finally, Chapter three outlines ideas on how to move forward, including an introduction to the concept of social-ecological innovation.

Environmental issues

- According to an article in the [Guardian](#), **'the world's most devastating global weather phenomenon – the weather events associated with "El Niño" – will double in frequency to once a decade if global warming remains unchecked'**, according to what scientists believe is a major step forward in the understanding of such events. The last extreme El Niño, in 1997-1998, resulted in the hottest year on record, and the accompanying floods, cyclones, droughts and wildfires killed an estimated 23 000 people and caused £21bn - £28bn in damage, particularly to food production. But until now scientists have been unable to agree how climate change will affect the frequency of extreme El Niños. A study, published in the journal [Nature Climate Change](#), concludes that in stark contrast to earlier work, the current rate of carbon emissions would mean twice as many extreme El Niños over the next 100 years, with profound socio-economic consequences.

Corporate issues

- [SustainAbility](#) – a US-based think-tank and strategic advisory firm – recently wrote about the **top sustainability trends** that their team tracked in 2013. These were:
 1. [Mind the Gap: The Business of Inequality](#). The presidents of China and the USA and a growing number of investors are speaking publically about the urgent need to close the income inequality gap.
 2. [Tell Me A \(Positive\) Story](#). According to Paul Hawken, ‘the catastrophisation of the future freezes people’. In 2013 we started to see the emergence of a more ‘flourishing future’ counter-narrative.
 3. [Waste Not, Want Not](#). From 1900 to 2000, global population increased fourfold, but the waste we produced increased tenfold. Some are now seeing the growth in waste as a real business opportunity.
 4. [Battle Lines Being Redrawn as Activism Heats Up](#). For all the attention ‘campaigning NGOs’ have received in 2013 due to high-profile stunts, the on-going fossil fuel divestment movement is the most significant.
 5. [Women: Linchpins of Sustainable Development](#). Gender inequality and discrimination reinforce all other forms of inequality, and there are increasing calls for the private sector to take action on this issue.
 6. [The Future of Traceability: From Line of Sight to Roots of Collaboration](#). The horsemeat scandal in Europe and other supply chain failings are serving to catalyse the emergence of technologies that can trace a product’s journey from source to store.
 7. [Cities, Disruptive](#). City governments are beginning to set the standard for effective sustainability policy-making, with a willingness to do things differently and disrupt the status quo.
 8. [The Financial Engineering We Need](#). The phrase ‘financial engineering’ has come to have negative connotations, but new approaches are promising beneficial social and environmental outcomes.
 9. [The Future of Energy Has Never Been More Uncertain](#). Several organisations published long-term energy forecasts, but a variety of technical, environmental and societal factors are serving to make their predictions more uncertain than ever.
 10. [Toxics Time bomb](#). Last year the WHO and UNEP concluded that toxic chemicals pose a global health threat. National governments have been slow to respond, but some companies are acting now.
- The release of the [International Integrated Reporting \(IR\) Framework](#) in December 2013 marked **an important milestone in the market-led evolution of corporate reporting**. It follows a three-month global consultation led by the International Integrated Reporting Council (IIRC) [during 2013], which elicited over 350 responses from every region in the world, the overwhelming majority of which expressed support for IR. IR applies principles and concepts that are focused on bringing greater cohesion and efficiency to the reporting process, and adopting ‘integrated thinking’ as a way of breaking down internal silos and reducing duplication. It improves the quality of information available to providers of financial capital to enable a more efficient and productive allocation of capital. Its focus on value creation, and the ‘capitals’ used by the business to create value over time, contributes towards a more financially stable global economy and is a force for sustainability. The Framework will be used to accelerate the adoption of IR across the world, where it is currently being trialled in over 25 countries, 16 of which are members of the G20, the group of nations focused on strengthening the global economy.

Legislative, regulatory and governance background to sustainable development

- Climate change, regarded by some as the biggest market failure that earthlings face, is much more than an environmental issue in SA, with taxation being a big part of the debate. The debate centres on two questions – whether climate change is a reality, and whether environmental taxes should be levied to mitigate the effects of climate change. Ismail Momoniat, deputy director-general for tax and financial sector policy at the Treasury, says **environmental fiscal reforms are a reality in the light of climate change**. The government has already started grappling with how these reforms will be incorporated into the tax system, he says. While tax policy is aimed at raising revenue for government expenditure, in recent times it has also been used to address market failures and to change behaviour, such as heavy pollution of the environment. In 2011 the Treasury published its National Climate Change Response white paper, proposing the introduction of a carbon tax. Such a tax, due to be introduced in 2015, will penalise industries or companies with a heavy carbon footprint by levying a tax of R120 a ton of carbon dioxide or its equivalent in other greenhouse gases. Cecil Morden, chief director for economic tax analysis at the Treasury, says until recently the most important excise taxes had been on tobacco and alcohol. Motor vehicles and other polluters are the latest addition to the tax net. This is a deliberate form of discrimination, Mr Morden said at a recent indirect tax summit organised by the South African Institute of Tax Practitioners. (Extracted from <http://www.bdlive.co.za/national/science/2013/12/04/south-africa-at-crossroads-on-climate-change-challenges>).