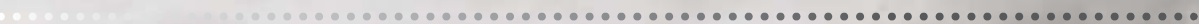


Reflections on the Relevance of Cost Transparency Standards to South Africa’s Financing Climate-Resilient Infrastructure

Prepared for the South African CoST Steering Group



Internal Working Paper

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Contributors

The report was developed by Rabia Transitions Initiative (Rabia) a non-profit company based in South Africa offering strategic policy research support on the role of financial actors in sustainability transition processes, just energy transitions, and the mobilisation of resources for climate interventions.

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About Rabia

Rabia Transitions is a non-profit research initiative founded in May 2021 based in South Africa. It is dedicated to building a just and inclusive financial ecosystem that responds with dignity to the challenges of our time. Through a transdisciplinary approach, Rabia integrates financial, environmental, economic, and social perspectives on finance policies and instruments, guiding our partners through complexity and facilitating actionable strategies. We firmly believe that both individuals and institutions have the power to usher in a new era for the role of finance founded on love, compassion, and interconnectedness. Further details on our work can be found at www.rabiitransitions.org

Table of Contents

| | |
|---|----|
| Key messages | 2 |
| List of Abbreviations | 3 |
| 1 Background and purpose of the paper | 5 |
| 2 Methodology | 6 |
| 3 Features of CoST and application against South African examples | 7 |
| 3.1 Current status of disclosing infrastructure investment in South Africa | 7 |
| 3.2 Application of CoST to current South infrastructure and climate-related initiatives | 9 |
| 3.2.1 Multi-stakeholder Working | 10 |
| 3.2.2 Disclosure | 12 |
| 3.2.3 Assurance | 14 |
| 3.2.4 Social Accountability | 15 |
| 4 Considerations essential for developing a CoST climate finance standard | 17 |
| 4.1 Infrastructure and sustainable infrastructure | 17 |
| 4.2 Climate finance | 19 |
| 4.3 Just Transition | 21 |
| 4.4 Levels of transparency and accountability | 22 |
| 5 Entry points for COST application to the South African context | 25 |
| 5.1 The potential contribution of CoST to SA climate finance landscape | 25 |
| 5.2 Concluding Insights | 27 |
| References | 28 |

Key messages

CoST, “is focused on ensuring that information such as the purpose, scope, costs and implementation of infrastructure projects is *open and accessible to the public* and that it is disclosed in a timely manner” (CoST, n.d.c) in a proactive¹ manner by disclosing data points under the CoST Infrastructure Data Standard (CoST IDS) as a way of promoting openness and transparency rather than disclosing information reactively.²

The report therefore aims to analyse the status quo of disclosure on infrastructure in South Africa and how CoST can contribute to disclosure practices on infrastructure. The report looked at selected South African climate finance-related processes currently underway as part of this analysis. The findings of the report found that:

- South Africa has several standard and mandatory disclosures such as the i.e. Promotion of Access to Information Act (PAIA), Public Finance and Management Act (PFMA), Johannesburg Stock Exchange (JSE) (for listed companies), and through processes such as the Infrastructure Development Act. However, even with these disclosure processes in place, the sharing of information cannot be said to be mandatory but rather discretionary/voluntarily, on what information is shared.
- Although South Africa has several disclosure processes in place there is no formal disclosure of climate finance and climate-specific infrastructure projects and programmes/contracts in South Africa.
- There are certain new processes still under development such as the Just Energy Transition Investment Plan (JET IP) that encourage disclosures relating to the projects and use of funds. However, this is not yet mandatory, and projects are still to be funded and an implementing agency is to be determined for the JETIP.
- CoST can add value through disclosure and assurance, whereas CoST could benefit from the South African context as it relates to the multi-stakeholder working and social accountability processes.
- There is an opportunity for the CoST IDS to contribute to promoting more disclosure practices, especially at a project level. However, this limitation does not address the systematic level of the social, economic, political systemic and historical injustices in South Africa.

¹ Proactive disclosure means that a procuring entity discloses the data routinely and periodically. A formal request is not required.

² In response to requests.

List of Abbreviations

| | |
|------------|--|
| AMF | Asset Management Framework |
| B-BBEE | Broad-Based Black Economic Empowerment |
| COP | Conference of the Parties |
| CoST | Global Infrastructure Transparency Initiative |
| DBSA | Development Bank of South Africa |
| DFFE | Department of Fisheries, Forestry and Environment |
| DMRE | Department of Mineral Resources and Energy |
| DPWI | Department of Public Works and Infrastructure |
| ESG | Environment, Social and Governance |
| GIH | Global Infrastructure Hub |
| GTF | Green Finance Taxonomy |
| HDI | Historically Disadvantaged Individuals |
| HSRC | Human Sciences Research Council |
| IDA | Infrastructure Development Act |
| IDC | Industrial Development Corporation |
| IDS | Information Data Standard |
| IPP | Independent Power Producer |
| IPPPPO | Independent Power Producer Procurement Programme Offices |
| JET IP | Just Energy Transition Investment Plan |
| JET IP PMU | Just Energy Transition Project Management Unit |
| JSE | Johannesburg Stock Exchange |
| JTF | Just Transition Framework |
| MSG | Multistakeholder Group |
| MSW | Multi-stakeholder Working |
| NCCB | National Climate Change Bill |
| NDC | Nationally Determined Contributions |
| NDP | National Development Plan |
| NIP | National Infrastructure Plan |
| NPC | National Planning Commission |
| NT | National Treasury |

| | |
|---------|---|
| OC4IDS | Open Contracting for Infrastructure Data Standard |
| OCDS | Open Contracting Data Standard |
| OECD | Organisation for Economic Co-operation and Development |
| PAIA | Promotion of Access to Information Act |
| PCC | Presidential Climate Commission |
| PIC | Public Investment Corporation |
| PICC | Presidential Infrastructure Coordinating Commission |
| PMFA | Public Finance and Management Act |
| PPP | Public-Private Partnerships |
| REIPPP | Renewable Independent Power Producer Programme |
| SQAM | Standards, Quality Assurance, Accreditation and Metrology |
| TCFD | Taskforce on Climate-Related Financial Disclosures |
| UN SDGs | United Nations Sustainable Development Goals |
| UNFCCC | United Nations Framework Convention on Climate Change |

1. Background and purpose of the paper

The Global Infrastructure Transparency Initiative, known as CoST, is an initiative created to address the prevalent issues of corruption, cost overruns, delays, limited citizen engagement, and limited public access to information particularly in the construction sector. It aims to improve infrastructure governance on the premise that access to open data disclosure, validation, and interpretation of infrastructure projects improves social accountability. Since its inception in 2012, CoST has operated in multiple countries worldwide, including but not limited to Afghanistan, Ethiopia, Guatemala, Malawi, Nepal, and Ukraine. CoST is now exploring how it may contribute towards the transparency of infrastructure financing in South Africa. CoST is also keen to understand South Africa's experiences with climate finance in order to develop a "climate finance" extension to its current Information Data Standard (IDS) ("the climate finance extension"). The focus on transparency in infrastructure development aligns with South Africa's publication of the National Infrastructure Plan 2050 in 2022, which commits to *"open reporting on infrastructure projects at various stages of development and implementation, in line with the Open Contracting Partnership and CoST Infrastructure Transparency Initiative"*.

South Africa's context is interesting for connecting infrastructure development and climate responses, as the country aims to shift from fossil fuels such as coal to renewable energy and build new value chains premised on a 'whole economy' approach as articulated in the Just Energy Transition Investment Plan (JETIP). The JETIP mainly focuses on infrastructure developments in the electricity sector, including grid and renewable energy, the decommissioning of power plants and integrating investments that recognise the social and economic effects of the transition (The Presidency, 2022).

This working paper was commissioned by the South African Steering Committee assembled to consider the relevance of CoST and the inclusion of a climate finance module for the IDS. This paper responds to the following questions:

- What is the status quo of disclosure on infrastructure in South Africa?
- How can CoST contribute to the disclosure practices on infrastructure in South Africa?

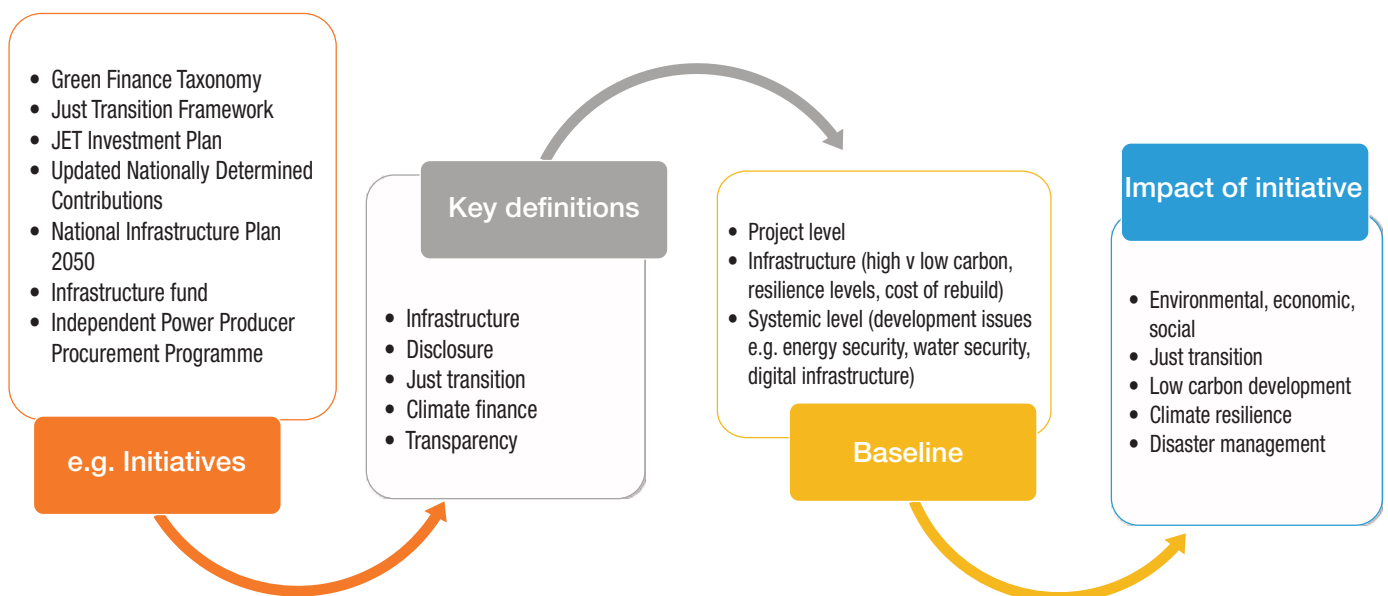
2. Methodology

The insights offered in this discussion paper are drawn from considering select South African climate finance-related processes currently underway and analysed under the following dimensions:

- CoST's four primary features (multi-stakeholder working, disclosure, assurance, reporting)
- Key assumptions and definitions essential for advancing transparency in South Africa
- Levels where transparency is targeted, i.e. project or systemic.
- Impact of implementing greater infrastructure transparency measures in South Africa

The methodology adopted for the working paper is illustrated in Figure 1 below. It involved a process of mapping key infrastructure and climate-related initiatives, their definitions and baselines, and the intended impact.

Figure 1: Process for mapping of South African initiatives



Source: Author's depiction.

A key assumption for the research is that the CoST IDS would require tailoring to the South African context and its integration and use as a transparency tool would also need to be considered based on existing climate finance and more broadly, finance-focused disclosures.

3. Features of CoST and application against South African examples

This section considers the CoST disclosure features and contrasts these against the disclosure standards on selected infrastructure and climate-related initiatives available in South Africa.

3.1 Current status of disclosing infrastructure investment in South Africa

According to a report that was published by the Human Science Research Council alongside CoST and the Department of Science and Innovation in 2020, the South African Constitution makes provision for information disclosure under the Promotion of Access to Information Act (PAIA) of 2000. Despite this provision, 46 per cent of information requests that were made to public bodies *were still being denied at the time of publication (HSR, 2020:54)*. The report states that *“the law also requires information related to several stages of the procurement and delivery process to be proactively disclosed by the procuring entity and on the National Treasury’s e-Tender Publication portal. However, it was found that actual disclosure is much more limited than the law stipulates and uneven in practice.” (HSRC, 2020:7)*.

This is concerning in a country which is a participatory democracy and in which the government is the largest procurer of goods and services including infrastructure (HSRC, 2020:54). In South Africa, public procurement is governed by section 217 of the Constitution, which stipulates that:

1. *When an organ of state in the national, provincial, or local sphere of government, or any other institution identified in national legislation, contracts for goods or services, it must do so in accordance with a system which is fair, equitable, transparent, competitive, and cost-effective.*
2. *Subsection (1) does not prevent the organs of state or institutions referred to in that subsection from implementing a procurement policy providing for –*
 - ❑ *categories of preference in the allocation of contracts; and*
 - ❑ *the protection or advancement of persons, or categories of persons, disadvantaged by unfair discrimination” (Republic of South Africa, 1996).*

Under the Public Finance and Management Act (PFMA), the National Treasury (NT) is also required to issue guidelines for how a framework should be developed to promote an appropriate procurement and provisioning system which is fair, equitable, competitive, cost-efficient, and transparent (HSRC, 2020:25).

In recent years, many attempts have been made through partnerships between civil society and the national government to remedy these constraints, for example, in 2019, civil society worked with the National Treasury on a project to provide public access to expenditure information through the Vulekamali website, and the 2019 Budget Review was uploaded onto the site with a detailed list of large infrastructure projects (HSRC: 2020:53). However, the report still shows that this is still a very reactive process whereby most information is available upon request rather than being initially made available for the public, and both “the legal framework and practice in relation to proactive disclosure are more diverse and less explicit” (HSRC, 2020:7).

In 2023, further attempts were made to promote disclosure under Chapter 5, Part 3 of the Draft Public Procurement Bill that was gazetted by the government. This section stipulated that there is a requirement for procurement information to be disclosed, including but not limited to information about the dates and reason for the decision to award the tender, all information about a bid, the identities of the entities that are submitting a bid and contracts entered with the supplier and the invoices from the supplier (Draft Public Procurement Bill, 2023:18). The Procurement Bill also states that this information must be published as swiftly as possible and must be accessible online for free (Draft Public Procurement Bill, 2023:18).

The King Code IV on Corporate Governance Report also reiterates the sentiments of the Procurement Bill as also states that public entities such as municipalities as stipulated under section 152(1) of the Constitution should encourage communities and community organisations to participate and be involved in matters of local government (Institute of Directors: Southern Africa, 2016:79). Section 153 of the Constitution further talks to the developmental duties of municipalities which include but are not limited to the efficiency with which municipalities deliver services to promote economic and social cohesion (Institute of Directors: South Africa, 2016:79). *“Good governance is essential to ensure the success of the municipality itself, and to protect and advance the interests of those whom it serves”* (Institute of Directors: Southern Africa, 2016:79).

In summary, South Africa has the benefit of a soundly drafted Constitution and corporate governance codes that can ensure that infrastructure finance is used effectively and efficiently in South Africa. However, it is imperative that these good governance principles are implemented alongside the guidelines stipulated particularly within South African government departments.

3.2 Application of CoST to current South infrastructure and climate-related initiatives

In this section, the four CoST IDS features will be explored in comparison to nine South African entities and their initiatives. The CoST IDS features are based on their adaptability to country-specific contexts, particularly their social, political, and economic systems. The intention is to offer a global standard to advance transparency and accountability in infrastructure development and financing. These features, which are described in more detail in sections 3.2.1 to 3.2.4 below, are:

- ❑ Multi-stakeholder working (MSW)
- ❑ Disclosure
- ❑ Assurance and
- ❑ Social accountability

The analysis involved analysing initiatives led by nine entities relating to infrastructure and climate finance per Table 1 below. These initiatives and entities explore the policies and practices that are implemented for South Africa to reduce its Nationally Determined Contributions (NDC) targets while also promoting a sustainable and green economy.

Table 1: Application of CoST Core Feature to South African Initiatives

| Entities | Initiative | Applicable CoST Feature |
|---|---|---|
| Infrastructure and general disclosures | | |
| 1. Development Bank of South Africa (DBSA) | Infrastructure Fund for South Africa. | MSW, disclosure, assurance, and social accountability |
| 2. Department of Public Works and Industry (DPWI) | National Infrastructure Plan 2050 (NIP 2050) Phase I | MSW, assurance and social accountability |
| 3. Industrial Development Corporation (IDC) | Standards, Quality Assurance, Accreditation and Metrology (SQAM) institutions | Assurance |
| 4. Johannesburg Stock Exchange (JSE) | Sustainability and Climate Disclosure Guidance | Disclosure and assurance |
| 5. Public Investment Corporation (PIC) | PIC Disclosure as required by the Standing Committee on Public Accounts | Disclosure and social accountability |
| 6. Presidential Climate Commission (PCC) | JTF; National Climate Change Bill | MSW, disclosure, assurance, and social accountability |

Table 1: Application of CoST Core Feature to South African Initiatives continued

| Entities | Initiative | Applicable CoST Feature |
|---|--|---|
| 7. National Treasury (NT) | Green Finance Taxonomy (GFT); Asset Management Framework (AMF) | Multi-stakeholder working, disclosure, assurance, and social accountability |
| 8. Department of Mineral Resources (DMRE) | Independent Power Producer Procurement Programme Offices | MSW, disclosure and social accountability |
| 9. Presidency's Just Energy Transition Investment Plan Project Management Unit (JET IP PMU) | Just Energy Transition Investment Plan (JET IP) | MSW, disclosure and social accountability |

The following sections will consider the four features in the context of activities undertaken by the above entities to illustrate the comparisons being made.

3.2.1 Multi-stakeholder Working

CoST defines the first feature, known as Multi-stakeholder Working, as partnerships and alliances that promote *“collaboration across stakeholder groups from government, private sector and civil society who have different perspectives and backgrounds”* to enhance transparency, participation, and accountability in public infrastructure (CoST, n.d.b). Through a CoST membership, neutral Multi-stakeholder Groups (MSGs) are formed by the different stakeholders of each country, and these groups meet regularly with the program managers to equally participate in matters about infrastructure transparency and accountability (CoST, n.d.b). *“The MSG is instrumental in putting key issues raised in the CoST assurance process into the public domain”* through presenting assurance findings at assurance report launches and making use of other platforms such as media interviews, political dialogue meetings, and training events with procuring entities (CoST, n.d.b).

CoST states that MSGs can comprise of members from the government, the private sector and civil society to support both large- and small-scale projects which provide essential services for citizens such as roads, housing, water, flood protection, education, and health (CoST, n.d.b). From the initial pilot project that was conducted in 2012, CoST found that the CoST approach can be applied across different contexts, government systems and infrastructure sub-sectors (CoST, n.d. b). Several South African initiatives were assessed against the MSW/G, at a project or systematic level as depicted in Table 2.

According to the HSRC (2020:26), the project level relates to the contracting stages of a project, whereas the systematic level considers a wider scope of the impact on the environment, social, and economic aspects due to the interconnectedness of the infrastructure investments outside of contracting, which calls for a need to take a more systemic approach.

Table 2: Application of the Multistakeholder Workings/Groups to South African entities

| Entity | MSG level | Application of MSW/MSG |
|--|------------------|---|
| 1. DMRE (Independent Power Producer Procurement Programme Offices) | Systematic | The DMRE makes use of MSW at a regional level, with some of their MSGs bringing together people from the Southern African Development Community (SADC) to promote project collaboration, capacity support, knowledge sharing, and skills enhancements. |
| 2. NT (Green Finance Taxonomy) | Project level | An MSG was formed to engage on developing a Green Finance Taxonomy (GFT) which consisted of six external stakeholder consultations from June 2020 to February 2022. |
| 3. DPWI (NIP 2050) | Project level | The DPWI strives for project designs to be tailored to assign roles to multiple partners to maximize the value of the project and ensure that the policy goals are achieved (DPWI, 2022:61). Through PPPs, the DPWI ensures that procurement and contracting models also allow for shared opportunities and risks in instances where private operators can design, build, operate and finance infrastructure. |
| 4. JET IP PMU | Project level | The JET-IP project management unit (PMU) held discussions with multilateral funding institutions, philanthropic organisations and developed economy governments about additional grant allocations for JET-IP projects. |
| 5. PCC (JTF) | Systematic level | The PCC convened various multi-stakeholder conferences to gather different social partners to set out the shared priorities for achieving a just transition |
| 6. DBSA (Infrastructure fund) | Project level | The DBSA “encourages collaboration between public and private role-players to unlock adequate and affordable blended finance for projects to quickly reach financial close”. |

Source: Author's analysis.

When assessing the South African and CoST MSGs, South Africa appears more advanced for engagement at a systematic level relative to the degree of detail processed by the CoST standard. South African initiatives have established multi-stakeholder working systems and governance structures which CoST can learn from. CoST offers an important contribution to the South African MSG processes by introducing a greater focus on developing multi-stakeholder working processes at the project level through collaboration and forming public-private and civil society partnerships which allows the different stakeholders to stay informed about infrastructure project phases.

3.2.2 Disclosure

The second CoST feature, known as Disclosure, *“is focused on ensuring that information such as the purpose, scope, costs and implementation of infrastructure projects is open and accessible to the public and that it is disclosed in a timely manner”* (CoST, n.d.c). Making such information accessible, allows for the stakeholders to monitor the information as well as hold public officials accountable when it comes to their decision-making processes (CoST, n.d.c).

In the context of South Africa, there are disclosure requirements encouraged on infrastructure through the following means:

- ❑ The **PCC's Just Transition Framework (JTF)** encourages disclosure through avenues such as “Taskforce on Climate-Related Financial Disclosures (TCFD), especially concerning disclosing climate change impacts in financial statements and using scenarios to understand future impacts” as well as the disclosure of “impacts through best-practice reporting, including through the [Carbon Disclosure Project] and Johannesburg Stock Exchange” (JTF, 2022:23).
- ❑ Furthermore, the **NT's GFT** is defined as a “classification system or catalogue that defines a minimum set of assets, projects, activities and sectors that are eligible to be defined as "green" in line with international best practice and national priorities” (NT, 2022b:5) also states that data systems and disclosure should be expanded and to enable taxonomic evaluations, and advance diligence regarding impact and contribution alignment. Section 4 of the GFT also provides additional impact indicators tools and frameworks which encourage transparency through disclosure (NT, 2022b:9,39-40).
- ❑ The **NT's Asset Management Framework (AMF)** for national and provincial departments³ also has a disclosure aspect to it as it provides prospective information to be provided to stakeholders, to demonstrate a future view on the “government’s commitment to climate change goals by reporting on investments that enable the transition to green infrastructure” (NT, 2021:114).
- ❑ The **DPWI** promotes disclosure in terms of “monitoring and reporting of major network infrastructure projects”, which in this case means that Infrastructure South Africa (ISA)⁴ works with project owners to report to the Presidential Infrastructure Coordinating Commission (PICC) on progress made on achieving the country’s infrastructure delivery vision and strategic objectives (DPWI, 2022:10). The DPWI’s National Infrastructure Plan 2050 which is aimed at managing and maintaining infrastructure to enable South Africa to grow and address inequality, also has a planned outline on disclosure and transparency (DPWI, 2022a, 2022b).

³ See page 113-115 of the framework (here) on what the key things be disclosed.

⁴ The DPWI Annual Performance Plan (APP) outlines that the ISA ,serves as a single point of entry for infrastructure, focusing on the development of a sustainable and viable project pipeline of infrastructure projects that meet the needs of all across the country, no matter what sector, whether rural or urban.

- ❑ The **JSE** encourages disclosure on climate and sustainability through its Sustainability and Climate Disclosure (JSE, 2022), which aims to offer alignment “with the most influential global initiatives on sustainability and climate change disclosure – including the GRI Sustainability Reporting Standards, the Taskforce on Climate-related Financial Disclosures (TCFD) recommendations, and the IIRC’s International Framework – as well as an extensive range of other frameworks and standards” (JSE Sustainability Disclosure, n.d.).
- ❑ The **PIC** also makes public disclosures as required by the Standing Committee on Public Accounts in relation to its Corporate Profile, the investment philosophy and process, the performance, listed and unlisted investments and transaction costs (PIC, 2018). These documents are publicly available, however, the level of detail suggested by CoST regarding project-specific information is insufficient.
- ❑ The **DBSA** liaising with Infrastructure South Africa (ISA) recommends to the Minister of the DPWI to gazette certain infrastructure priority projects in terms of the Infrastructure Development Act of 2014 (IDA) (DBSA, 2022:3). However, apart from projects being gazetted as Strategic Integrated Projects (SIPs) in line with the IDA, the IDA is silent on the nature of transparency required as per information needed for disclosure, and only provides for in Section 9.1 in that it “requires the Minister to report to the Council and to the Management Committee on each strategic integrated project” with Section 9.2 stating that the report “...contain the information determined by the Council.” This not only implies that accessibility of information for public use is limited, but that there is discretion in what can be contained in the report as per Section 9.2 of the IDA.

An example of information at detailed disclosures at project level that is available but not accessible to the public is the IPPPP. In this inaccessibility relates to the purpose for which the information is generated being the evaluation of technical and financial bids to issue licenses. The IPPPP have intense information requirements throughout its procurement and project implementation processes. The program requires bidders to submit comprehensive bid documentation, discloses the evaluation criteria and bid results, and involves the signing of PPAs. Through this disclosure there is transparency concerning the, 1) bid documentation which is subject to evaluation and review by the procurement authorities and relevant stakeholders, ensuring transparency in the assessment of project proposals, and 2) evaluation criteria that are applied to assess and compare bids submitted by IPPs. These criteria include technical, financial, and socio-economic aspects. By disclosing the evaluation criteria upfront, the program promotes transparency and provides clarity on the factors considered in the selection of renewable energy projects, 3) disclosure of bid results, which includes the announcement of successful bidders and the specific projects that have been awarded contracts. Therefore, the IPPPP disclosures are but a requirement to assess the viability

⁵ See the PIC website, where it publishes these reports as required by the Standing Committee on Public Accounts.

⁶ This information is available on the IPP website.

of the bid at multiple levels, however, information post-bidding is not accessible for public use, as it is treated as confidential which essentially means that, information is not disclosed proactively (Matikinca, 2023), which poses transparency issues around the procurement process (Trollip, 2023).

At the disclosure level, the CoST IDS would be helpful in contributing to disclosure practices specifically on the purpose, scope, cost, and implementation of all infrastructure projects. There is presently no mandatory disclosure of climate finance flows either domestic or national, nor is there disclosure of how climate finance is contributing to infrastructure. The JETIP presents a big picture of the potential use of USD 8.5 bn, however, more intense disclosures will be necessary once projects are commissioned. In this way, the CoST IDS offers useful guidelines for better disclosure at the project level.

3.2.3 Assurance

The third CoST feature is based on assurance. The assurance process is to help stakeholders understand the data which has been published on specific infrastructure projects in the CoST disclosure process (CoST, n.d.d). In short, the assurance process looks at: “i) monitoring compliance of the procuring entities of infrastructure projects in accordance with a country’s legal provisions on disclosure or with the CoST International Data Standard; ii) highlighting issues of concern; and iii) carrying out a more detailed review of a sample of projects or referring projects to an independent authority” (CoST, n.d.d).

In the South African context, some of the entities explore assurance from a more systemic lens and principles such as:

- ❑ The JSE Sustainability Disclosure standards offer assurance by supporting “the convergence of global reporting standards assists in contributing to the achievement of national and international sustainable development commitments and priorities, such as the UN SDGs (United Nation Sustainable Development Goals)” (JSE, n.d.).
- ❑ The DPWI encourages assurance through a detailed review of a sample of projects. For example, the New City Open City Initiative, which is “a strategy and plan of action that will enable informed decisions related to the development of a new, open city in South Africa” (DPWI, 2022:55). The initiative suggests “the evaluation framework should ensure value-for-money; best practice in planning, design and implementation; inclusive and accountable governance and delivery innovative technology and operations; and stakeholder engagement” (DPWI, 2022:55).

- ❑ The IDC follows the Standards, Quality Assurance, Accreditation and Metrology (SQAM) institutions “which provide an indispensable support framework for a modern and competitive economy” (IDC, 2014:12). The nature of the IDCs intervention states that, “South Africa will work with countries in the region to strengthen coordination of technical infrastructure activities, including standards, metrology and accreditation and conformity assessment services, mindful of the fact that the development of such capacity has a long lead time” (IDC, 2014:67). While its economic rationale states that, “the capacity to comply with international standards, norms and technical regulations underpins the potential for economic and industrial growth. The strengthening of technical infrastructure capacity in African countries is a precondition of industrialisation efforts” (IDC, 2014:67).
- ❑ The DBSA “conducts programme assurance activities from planning, financial structuring, financing, procurement, asset creation and management right until the deal exit” (DBSA, 2022:2).
- ❑ On finance, the National Treasury under its AMF also provides for assurance that “asset management provides assurance that assets will fulfil their purpose and that the asset management function and asset management system will perform as required” (NT, 2021:11).
- ❑ On climate change, the PCC through the National Climate Change Bill (NCCB), as per Section 11 also aims to provide a basis for assurance by monitoring compliance under the country’s legal provisions on disclosure by providing “monitoring and evaluation of progress towards government’s emissions reduction and adaptation goals” (Republic of South Africa, 2022: 9). These measures are not yet coupled with the impact of infrastructure choices on the emissions profile of the country.

South Africa is applying in varying degrees aspects of assurance as envisaged by the CoST IDS in differing degrees within their institutions at systematic and project levels. However, the quality and impact of these measures are difficult to assess for the purpose of this paper.

3.2.4 Social Accountability

Social accountability is the fourth and final CoST core feature. The feature was adopted to ensure that key issues on public infrastructure projects are made available in the public domain through the media, assurance process, citizen monitors, and community events (CoST, n.d). This requires working closely with all stakeholders to ensure that they are equipped with the necessary tools to hold decision-makers accountable and demand better infrastructure (Global Infrastructure Initiative (CoST), n.d.e)

In the South African context, social accountability represents a “whole economy approach” especially because of the country's political past and enduring inequalities. South Africa continuously strives to empower Historically Disadvantaged Individuals (HDI) through transformation policies such as the Broad-Based Black Economic Empowerment (B-BBEE) Act. Guidelines and thresholds for advancing transformation and empowerment are offered herein, which every entity is currently under review. (PIC, n.d.).

The DPWI (2022:11) holds a high standard of ensuring that public infrastructure investments achieve greater productivity and competitiveness because they are the foundation for transformation and inclusive growth in the country through the reduction of spatial inequality, and they support the emergence of new job-creating sectors in the country. “The construction of infrastructure generates employment and broad-based black economic empowerment opportunities, further contributing to the goals of the National Development Plan (NDP)” (DPWI, 2022:11). The IPPPO, which states that “the IPPPO has been designed not only to procure energy but has also been structured to contribute to the broader national development objectives of job creation, social upliftment and broadening of economic ownership” (IPPPPO, n.d.).

The Just Transition Framework emphasises collective social accountability on climate responses generally, in that: “other social partners will need to play their part in the just transition—embracing the vision, principles, and key policy interventions set out in this framework. To do this, social partners must be equipped with the capacity and power to manage—and even benefit from—the impacts of climate change” (JTF, 2022:22).

The Green Finance Taxonomy (2022:25) also states that companies and issuers (service providers and development contractors) involved in projects should have robust social due diligence and assignment of responsibility in place. The aim is to ensure that the social risks and impacts on communities and the wider society are identified and managed.

More recently, the JET Investment Plan also expresses the need for integrated social accountability through the implementation practices at various government levels, physical locations and amongst all stakeholders involved, especially local communities (JET IP, 2022: 17, 135, 138). The JET Implementation Plan recently adopted by Cabinet (November 2023) may contain aspects that advance this position and should be considered.

South Africa's standards on social accountability are deeply systemic, aiming to address historic social, economic, and political injustices. From a climate perspective, the country has taken measures to introduce a just transition focus through the Just Transition Framework. More work may however be necessary in South Africa to achieve the aspects of ensuring stakeholders are equipped with the necessary tools to hold decision-makers accountable and demand better infrastructure. The same would be true of climate resilient infrastructure, or infrastructure that does not generate harmful effects on the environment.

4. Considerations essential for developing a CoST climate finance standard

The primary definition that drives the application of the CoST IDS is infrastructure, as the basis for disclosure, transparency, and stakeholder engagement. The goal of CoST to introduce a climate finance standard in the IDS will require additional definitions, in particular infrastructure, climate finance (as it relates to financing climate resilient development) and just transition. The latter is essential particularly in the South African context, as its climate response is premised on a just and equitable transition.

4.1 Infrastructure and sustainable infrastructure

CoST IDS defines infrastructure development as *“the development of a set of infrastructure assets in a specified location, generally the responsibility of a single procuring entity and budget authority: for example, a highway overpass or a university campus”* (CoST, 2018), with a focus on public infrastructure investment. This definition requires expansion to include infrastructure assets or infrastructure enhancements essential for a climate response. CoST has ongoing efforts to introduce sustainable infrastructure, including environmental impacts, ownership, social inclusion, and health. These include essential data sets that evidence the shifts towards sustainable infrastructure in public procurement, and climate-related investments (CoST, 2018b).

Box 1: The definition of infrastructure in South Africa

Infrastructure is defined across various policies and processes in South Africa such as:

- Regulation 28 of the Pension Funds Act 24 of 1956 defines infrastructure as *“any asset that has or operates with a primary objective of developing, constructing and/or maintaining physical assets and technology structures and systems for the provision of utilities, services or facilities for the economy, businesses, or the public”* (NT, 2022a).
- The NT's AMF defines infrastructure assets as *“stationary systems forming a network and serving whole communities, where the system as a whole is intended to be maintained indefinitely at a particular level of service potential by the continuing replacement and refurbishment of its components”* (NT, 2021:127).
- The Public Procurement Bill defines infrastructure as *“the physical facilities and systems that are required to directly or indirectly provide services to the public”* (NT, 2023b:6).
- The DBSA refers to green infrastructure and social infrastructure⁷ defining these as renewable energy, education, human settlements, and health care.

⁷ The DBSA defines this as “facilities and systems that enable the functionality of a community.”

The definition of infrastructure can be found in many policies in South Africa, however, there is a need to introduce language that advances the need for climate-resilient infrastructure, to aid in the standardisation and harmonisation of data collection on performance and disclosure for initiatives that leverage finance flows in infrastructure.

Figure 2 below provides South Africa's 2023 Budget Review estimates of the government's spending on economic infrastructure, which is focused on *energy, water, sanitation and transportation* and accounts for 78.3 per cent of the medium-term estimate, public-sector infrastructure expenditure.

Figure 2: Government's infrastructure spending 2023

| R billion | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | MTEF |
|--------------------------------------|--------------|--------------|--------------|------------------|-----------------------|--------------|--------------|--------------|
| | Outcomes | | | Revised estimate | Medium-term estimates | | | Total |
| Energy | 26.2 | 30.0 | 35.5 | 38.7 | 39.8 | 51.1 | 67.0 | 157.8 |
| Water and sanitation | 22.5 | 29.5 | 30.6 | 36.1 | 40.8 | 44.9 | 46.9 | 132.5 |
| Transport and logistics | 70.5 | 58.6 | 65.9 | 90.8 | 97.5 | 119.9 | 133.7 | 351.1 |
| Other economic services | 5.7 | 6.9 | 21.8 | 23.5 | 22.7 | 21.2 | 21.2 | 65.2 |
| Health | 12.2 | 14.7 | 16.4 | 14.2 | 14.1 | 14.0 | 14.6 | 42.8 |
| Education | 17.4 | 14.2 | 14.5 | 21.4 | 18.0 | 21.7 | 20.8 | 60.6 |
| Human settlements ¹ | 20.9 | 13.3 | 13.4 | 14.3 | 14.9 | 15.1 | 15.8 | 45.9 |
| Other social services | 4.7 | 4.1 | 2.2 | 3.6 | 3.2 | 3.0 | 3.1 | 9.3 |
| Administration services ² | 7.4 | 12.1 | 12.0 | 12.5 | 12.5 | 12.2 | 13.1 | 37.8 |
| Total | 187.4 | 183.4 | 212.3 | 255.2 | 263.6 | 303.2 | 336.3 | 903.0 |
| National departments | 13.8 | 11.4 | 12.5 | 17.4 | 15.3 | 20.2 | 19.0 | 54.6 |
| Provincial departments | 61.0 | 51.8 | 57.7 | 67.1 | 69.3 | 69.1 | 71.4 | 209.8 |
| Local government | 41.2 | 55.6 | 62.1 | 62.8 | 61.4 | 63.0 | 65.9 | 190.3 |
| Public entities ³ | 14.5 | 8.8 | 20.2 | 29.5 | 31.2 | 41.7 | 51.6 | 124.4 |
| Public-private partnerships | 5.6 | 4.9 | 6.5 | 7.1 | 7.1 | 7.3 | 7.5 | 21.9 |
| State-owned companies ³ | 51.2 | 50.8 | 53.4 | 71.3 | 79.3 | 101.9 | 120.9 | 302.1 |
| Total | 187.4 | 183.4 | 212.3 | 255.2 | 263.6 | 303.2 | 336.3 | 903.0 |

Source: 2023 Budget Review (NT, 2023a).

The level of funding as reflected in Figure 2 demonstrates the powerful role that public expenditure can have on influencing climate-resilient infrastructure, directly and expressed through the mandates of entities such as the PIC (Through Regulation 28 of the Pension Funds Act 24 of 1956), IDC and the DBSA (Infrastructure Fund) amongst others.

Furthermore, the general application of "infrastructure" as applied within South Africa's public investment processes references specific categories, such as transportation (i.e. road, freight, construction, e-vehicles), energy (electricity), telecommunication and digital, water, sanitation, and solid waste.⁸ Other infrastructure focus areas identified include human settlements, education, and health ((DPWI, 2022). Therefore, the next step would be to mainstream climate change considerations in infrastructure planning and investment, to ensure that infrastructure planning is aligned with climate objectives (OECD, 2018). South Africa has started making progress towards integrating resilience in infrastructure investment.

⁸ Author analysis (NPC, 2012; DMRE, 2019; UNFCCC, 2021; DPWI, 2022a, 2022b; IPP Office, 2022; National Treasury, 2022a, 2022b; PCC, 2022; Republic of South Africa, 2022).

Box 2: National Treasury's position on climate-resilient infrastructure investments

"The National Treasury recognises the risks from climate change and is working with partners to **ensure that infrastructure investments are climate resilient**. It supports metros to strengthen climate resilience in the design and preparation, packaging, and financing of some of their projects. These projects include *renewable and alternative sources* of energy storage in Buffalo City and Johannesburg, integrated *waste management* in eThekweni and *flood management and river rehabilitation* in Cape Town, Ekurhuleni, Tshwane and Mangaung."

- National Treasury's 2023 Budget Review⁹

The connection of climate to infrastructure is specifically referenced in South Africa's GFT, JTF, NDC and NCCB, which are part of South Africa's critical climate policies and governance architecture. Whereas initiatives such as the NDP, NIP 2050, and Integrated Resource Plan 2019 acknowledge the integration of climate aspects, through their mention of low-emission options through renewable energy.

4.2 Climate finance

The CoST IDS does not have an equivalent definition for climate finance, and this would need to be developed. There are precedents in South Africa's submissions to the UNFCCC that can guide how such a definition may be formulated, in addition to approaches by the OECD among others on sustainable infrastructure and finance.

The UNFCCC defines climate finance as "local, national or transnational financing—drawn from public, private and alternative sources of financing—that seeks to support mitigation and adaptation actions that will address climate change".¹⁰ There is a need to connect sustainable infrastructure¹¹ and finance as climate change can impact infrastructure through extreme weather events such as floods, fires, and rising sea levels (GIH, 2023), hence why finance flows towards mitigation and adaptation objectives should consider resilient infrastructure to "strengthen existing and build new infrastructure that can respond more adequately to the risks and impacts of a changing climate" (OECD, 2018:40).

⁹ See page, 162 of the 2023 Budget Review.

¹⁰ This definition can be found on the UNFCCC website.

¹¹ Global Infrastructure Hub defines this as "infrastructure that delivers positive economic and social impacts in line with the UN Sustainable Development Goals (SDGs)"

For example, South Africa's updated 2021 NDC which is complemented by South Africa's 2021, 4th Biennial Update Report defines climate finance as *"all resources that finance the cost of South Africa's transition to a lower-carbon and climate resilient economy and society. This covers both climate-specific and climate-relevant financial resources, public and private, domestic, and international. This includes financial resources that go towards reducing emissions and enhancing sinks of greenhouse gases; reducing vulnerability, maintaining and increasing the resilience of human and ecological systems to negative climate change impacts; climate-resilient and low-emission strategies, plans and policies; climate research and climate monitoring systems; as well as climate change capacity-building and technology"* (DFFE, 2021:163; UNFCCC, 2021).

South Africa's 2021 NDC provides information on potential financing needs, sources and instruments in Table 3 below (UNFCCC, 2021; 28-29). The NDC references

Table 3: South Africa's NDC financing aspects

| Mitigation | Adaptation | Source of funding | Application of funds |
|--|--|---|--|
| <ul style="list-style-type: none"> • Transition finance. • Electricity infrastructure. • Develop small, medium, and micro-enterprises, to implement innovative technologies • Create sustainable employment. | <ul style="list-style-type: none"> • Access to climate finance for grassroots women's organizations, indigenous peoples, and local communities. | <ul style="list-style-type: none"> • International support from bilateral and multilateral. • Domestic investments. | <ul style="list-style-type: none"> • Concessional finance for low-carbon projects. • debt restructuring • support for non-fossil-fuel development in Mpumalanga and elsewhere. • Just transition programme |

Source: Author analysis (2021 NDC).

Table 3 shows the intended impacts of South Africa's NDC as it relates to finance. Therefore, assessing the current infrastructure financing in South Africa to determine whether the focus corresponds to those needs in the NDC, especially from a climate response lens would be essential.

And while climate finance is not directly defined in the mentioned initiatives linked to infrastructure development in South Africa, the initiatives (JTF, NDP, NDC, NCCB), define what a just transition is as it relates to infrastructure as well as non-infrastructure related needs¹² (NPC, 2012; UNFCCC, 2021; Republic of South Africa, 2022).

¹² Which includes amongst other things, social inclusion and protection, eradication of poverty, climate resilience, health and well-being, water, low carbon economy, decent work and climate resilient job pathways, and a focus on vulnerable people such as poor households, children, women, people with disabilities and youth.

4.3 Just Transition

The definition of just transition can be found in the South African context (i.e. JTF, NDP, NDC, NCCB). The JTF, states that a just transition can “align economic, social, and mitigation and adaptation measures... [through the commitment] among social partners to procedural justice, involving the most affected in the decision-making process, and reconfiguring governance processes to ensure all aspects of justice in the transition are addressed (procedural, redistributive, and restorative)” (PCC, 2022:5).

Box 3: Definition of a just transition in South Africa

The PCC has defined a just transition as (PCC, 2022b): “A just transition aims to achieve a quality life for all South Africans, in the context of increasing the *ability to adapt to the adverse impacts of climate, fostering climate resilience*, and reaching net-zero greenhouse gas emissions by 2050, in line with best available science. A just transition contributes to the goals of decent work for all, social inclusion, and the eradication of poverty. A just transition puts people at the centre of decision-making, especially those most impacted, the poor, women, people with disabilities, and the youth—empowering and equipping them for new opportunities of the future. A just transition builds the resilience of the economy and people through affordable, decentralised, diversely owned renewable energy systems; conservation of natural resources; equitable access to water resources; an environment that is not harmful to one’s health and well-being; and sustainable, equitable, inclusive land use for all, especially for the most vulnerable.”

The concept of a *just transition* is closely connected to financing climate-resilient infrastructure, as climate-resilient infrastructure should aim to address social and economic disparities, by not exacerbating existing social inequalities. Climate resilient infrastructure must stand to benefit vulnerable communities such as improving infrastructure, providing job opportunities, and enhancing their quality of life, by enabling access to infrastructure, such as flood defences, energy systems, and water and sanitation systems as a way of withstanding and recovering from climate-related challenges. Furthermore, a just transition also emphasises principles around involving affected communities in decision-making processes, as part of the planning and implementation of climate-resilient infrastructure (PCC, 2022a).

Therefore, by expanding on infrastructure financing through the lens of climate resilience as part of a just transition, one can start thinking about what risks to anticipate in the transition journey as a result of the shifts and taking a holistic view by going further than the energy system to highlight the quality of the live hoods that stands to be affected as well as asking ourselves *how urgent might those risks manifest? And where is the vulnerability in terms of infrastructure?*

4.4 Levels of transparency and accountability

The analysis also aimed to determine to what extent these initiatives integrate transparency and accountability into their processes. Although the initiatives have some aspects that align with transparency principles i.e. good governance, public participation, monitoring, and evaluation, these initiatives do not provide an extensive framework for transparency outside of information shared through public consultation (i.e. GFT, JTF, NDP, NCCB, IRP 2019, Regulation 28 and REIPPP), with the REIPPP being the most advance in terms of disclosure and providing an extensive framework for transparency and disclosure and the NIP 2050 through the DPWI following suite with its intention to start building an extensive framework for transparency and disclosure.

Furthermore, stakeholder engagement through the initiatives is through forums such as public consultations with the national government, labour unions, civil societies, youth, business, and private sector, (i.e. JTF, NDP, NDC, NCCB, NIP2050, IRP 2019, and REIPPP), whereas some initiatives have specific stakeholders such as regulators and industry players (i.e. GFT) with others not requiring stakeholder engagement (i.e. Regulation 28). Lastly, most of the initiatives (i.e. GFT, NIP 2050, IRP 2019, Regulation 28 and REIPPP) including CoST are for infrastructure investment at a project level, with other initiatives based on infrastructure investment at a systematic level (i.e. JTF, NDP, NDC, NCCB).

Given that public infrastructure projects in South Africa, have come under scrutiny the PCC stakeholders' consultation process, has identified issues such as monitoring and evaluation as important aspects for consideration (PCC, 2023).

Box 4: Transparency and assurance around financing climate-resilient infrastructure

The emerging public feedback from business, labour and civil societies around financing climate resilient infrastructure, through consultations conducted by the PCC (PCC, 2023), brings concerns around access to relevant comprehensive information for the public to protect their rights and livelihood related to the lack of clarity of how these interventions are positioned in terms of transparency and assurance around:

- The ministries and officials who will be overseeing and planning these projects.
- Oversight bodies and the extent of their influence.
- How communities will tangibly benefit (when will they see real change and projects).
- The extent to which communities and civil society will be included in the structures that will shape, monitor, manage, and implement the project, the timeline of actions for implementation and the sequence and order for implementation.
- How the project will prioritise vulnerable groups such as women and youth.
- How the project will address the already underlying socio-economic issues.
- How the project will affect other key sectors.

Therefore, making information accessible and usable to communities has become increasingly necessary to have transparency and accountability in public infrastructure. The CoST core features could be useful in this context as they would give South African stakeholders, such as civil society, an opportunity, and a platform to continuously monitor and evaluate the processes of public infrastructure developments, to ensure that the just transition is a fair process, while also allowing them to have easy access to public and private sector officials.

Box 5: The value of CoST

CoST's major contribution is that it makes information accessible and usable to communities. The examples below highlight how access to data is improving social cohesion and the role of communities in economic decisions:

Malawi

CoST's Assurance Report Malawi identified issues with road infrastructure (i.e. poor quality work, directly awarding the contract as part of a loan agreement to a contractor without competition, and a cost increase of 262%). Through the MSG process the Minister of Transport and Public Works was pursued to review the contract and project agreement, which led to road contracts being terminated to stop the waste of taxpayers' money, this improved individual projects and broader reforms.¹³

Uganda

Infrastructure delivery in Wakiso District has had issues which impacted local communities, and there was no avenue to raise pressing concerns about how their lives have been impacted, as well as a platform where information on projects can be shared. This meant that citizens had little faith in local decision-makers. Through an innovative approach, called 'barazas' CoST Uganda used a traditional community event to address this and bring together stakeholders.¹⁴ Communities were also able to obtain information about infrastructure delivery and give their feedback on the state of projects on issues such as dangerous roads and poor sanitation that affected their daily lives. Through this MSG process, authorities swiftly rectified these issues after the barazas which reestablished trust in the process (CoST, 2019).

¹³ See more information on CoST contribution to Malawi's improving transparency and accountability, on their website.

¹⁴ See more information on how "barazas" incorporated social accountability and MSG.

Box 5: The value of CoST continued

Honduras

CoST through its online platform has enabled citizens in Honduras to monitor public infrastructure delivery, and through training workshops on open data and how it can be used to demand accountability, communities formed their meetings to monitor and discuss infrastructure projects affecting the community by putting pressure on decision-makers, on matters such as companies not complying with environmental standards (CoST, 2018a, 2018b).¹⁵

Source: Derived from CoST country examples.

In summary, the synthesis showed that South Africa has initiatives which have an infrastructure approach, however not all have a direct reference for climate finance infrastructure. Having said that, infrastructure initiatives cannot be said to be restricted by their usability to contribute to enhancing the investment for climate finance infrastructure. At present there is a need to map and link focus infrastructure areas to infrastructure that takes climate response needs such as human settlements as it relates to extreme disaster events (sustainable cities with a climate resilience element) and health infrastructure amongst other things (Ziervogel et al., 2022).

¹⁵ More information on how CoST has had an impact on infrastructure delivery in Honduras, can be found on the CoST website.

5. Entry points for COST application to the South African context

Since COP26, the urgency around the just energy transition in South Africa has escalated. Through intense consultation processes, initiatives such as the PCC, are working hard on ensuring that the climate finance being pledged to South Africa will be directed to the right energy infrastructure projects and that the affected populations will also be taken care of in the process. Making information more accessible in South Africa may require prioritising principles such as those found in CoST to achieve the necessary public infrastructure standards and deliverables. Therefore, through avenues such as CoST's open data standard, the following may be regarded as entry points in South Africa:¹⁶

1. **Collecting data for financial flows:** to create ownership and responsibility, consistency in the transparency of finance flows going towards climate investments in South Africa and mitigating against corruption and inefficiency through transparency.
2. **Collecting data for the public benefit:** to ensure that safeguards are in place in the financing and delivery of low carbon, resilient public infrastructure, as a way of empowering individuals and communities to advocate for their rights and *“hold decision-makers to account...which can lead to the introduction of reforms that will reduce mismanagement, inefficiency, corruption and the risks posed to the public from poor infrastructure”* (CoST, 2018).

5.1 The potential contribution of CoST to SA climate finance landscape

In answering how can *CoST contribute to the disclosure practices on infrastructure in South Africa?* Figure 3 below aims to highlight CoST's potential contribution to South Africa, as well as where CoST would benefit from South Africa.

¹⁶ This can enable to raise questions such as where it will be used (including by whom), how it will be used, common understanding, and what constitutes public benefit for society.

Figure 3: Assessment: Entry points for 4 core CoST features in South Africa

| Ranking (opportunity for contribution) | CoST Core Features | Explanation |
|---|---------------------------|--|
| 1. Most relevant (highest potential for CoST contribution) | Disclosure | South African initiatives reflect fragmented disclosure practices on finance. The CoST Infrastructure Data Standard (CoST IDS) and the Open Contracting for Infrastructure Data Standard (OC4IDS) could assist the country's initiatives in this regards. |
| 2. | Assurance | South Africa has advanced approaches for incorporating ESG principles to initiatives through the long-established governance codes. However, at a project level room for improvements exist on compliance, monitoring and evaluation levels through CoST platform. |
| 3. | Social Accountability | CoST mainly focuses on accountability and transparency at a project level, which appears infrastructure specific. While South Africa initiatives also introduce historic social, economic and political injustices as basis for accountability. The JTF also introduces a just transition lens (still to be implemented at project level) which CoST could benefit from. |
| 4. Least relevant (least potential for CoST contribution) | Multi-Stakeholder Working | South African initiatives have established multi-stakeholder working systems, and governance structures. Room for contribution to CoST on this area in collaboration and forming public-private and civil society partnerships may be useful. |

Source: Author analysis (based on climate finance initiatives in South Africa)

In general terms, CoST is relevant and complements some of South Africa's current initiatives when it comes to public infrastructure and climate finance accountability and transparency. However, the intensity of the contribution may differ depending on the work underway for the different initiatives against the CoST pillars (Figure 3). At present the possible entry points where South Africa could benefit from CoST is through disclosure and assurance, whereas CoST could benefit from the South African context as it relates to the multi-stakeholder working and social accountability processes.

Furthermore, CoST is most impactful at the project level, and not necessarily impactful at a strategic policy level because it is not based on strategic policy contributions, but project-level contributions. However, it can still help to fill gaps at a project level because implementation happens at the project level. There is also a need to have a certain level of directionality of projects (normative position of indicators), to be able to have a systemic effect.

Some factors are under-addressed or deserve further attention within CoST such as the:

- ❑ Emphasis on climate change considerations, in infrastructure projects.
- ❑ Further emphasis on explicit social inclusion considerations and vulnerable people as highlighted in the policy initiatives in South Africa. As project-level environmental and social impact, assessments might not necessarily focus on those aspects.

- ❑ Integration of data aspects that takes a more systematic approach, by going beyond transparency during the project implementation phase, and integrating long-term project sustainability, by considering aspects such as the maintenance and operation of infrastructure assets, their ongoing performance monitoring, and disclosure of information related to their long-term sustainability and resilience.
- ❑ Lastly, the provision of disclosing non-financial aspects is a way of providing a comprehensive view that goes beyond financial considerations. Such as social and environmental performance indicators as they relate to the project impacts and outcomes.

In summary, as it stands in its current form the CoST agenda cannot be immediately transposed into the SA context and it needs adaptation. But with the above additional incorporation and/or expansion to the existing CoST framework (not an exhaustive list), it can better capture the complexities and challenges associated with the South African context.

5.2 Concluding Insights

To achieve the necessary public infrastructure standards and deliverables, the recommendations for the standard on infrastructure in South Africa must:

- ❑ Link to finance needs.
- ❑ Offer broad definitions for clear terms to ensure standardisations (i.e. to establish clarity on the baseline of transparency).
- ❑ Recognise the social dimensions it wants to enhance (i.e. *what is it that we need to shift to and for what purpose*).
- ❑ Have implementation capabilities (e.g. access to where the data will be stored so that it is inclusive access - digital infrastructure that allows for such access).

The CoST work can be championed in different organisations of interest as a way of potentially adapting it in South Africa, to promote public benefit through the sharing of information¹⁷ and/or the creation of ownership around climate finance infrastructure investment. At present there is a need to map and link priority infrastructure sectors that address climate response needs such as sustainable cities with a climate resilience element such as disaster management and/or recovery, water (i.e. less politicised and more volatile) and other critical infrastructure that needs to be built over the next couple of years.

¹⁷ This is especially relevant to promote transparency as it is closely linked to fundamental rights, including the right to information, participation, a healthy environment, development, and accountability, by empowering individuals and communities, enhances democratic processes, and ensures that climate finance is directed towards sustainable and equitable outcomes.

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