

# Government still interrogating \$8.5bn climate deal with Western nations

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10 May 2022

Government is still analysing details of a \$8.5bn financing package offered by rich Western nations last year to help SA shift away from coal, environment minister Barbara Creecy said on Tuesday, 10 May.



A child collecting chunks of coal looks on at a colliery while smoke rises from the Duvha coal-based power station owned by Eskom, in Emalahleni, in Mpumalanga province. Reuters/Siphiwe Sibeko

The United States, Britain, France, Germany and the European Union pledged the funding during the COP26 climate conference in Glasgow, Scotland, last November. South Africa is the world's 12th biggest emitter of climate-warming gases and a major coal producer and user.

Pressed by lawmakers over delays in obtaining the funding during a virtual parliamentary briefing, Creecy said South Africa, which has set up a task team to advise President Cyril Ramaphosa and his cabinet on the offer, was still looking at the terms.

"I think that the issue of speed is important, but the issue of the nuances and the quality of the decision is also important," Creecy said.

"I am not negative about the opportunities that this money presents, but I am realistic that we have to look at it properly and we shouldn't rush when looking at it properly. There is a lot of scepticism out there that it's only loan financing, that it's going to worsen our sovereign debt situation."



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## Negotiations ongoing

South Africa's chief negotiator at COP26 Maesela Kekana told the same briefing that negotiations were still being held with the Western nations.

Creecy said South Africa was also considering the impact of the shift from coal on unemployment and poverty.

About 93,000 people were employed in South Africa's coal mines in 2021, according to industry body the Minerals Council.

"We've got to ensure that by introducing green technology into the economy, we're not just changing technology, we're also dealing with some of the abiding constraints of inequality, unemployment and poverty that confront our economy," Creecy said.

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