

Nedbank 'pays lip service to green policy'

By [Charlotte Matthews](#)

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Nedbank has been accused of hypocrisy by climate change activists 350 Africa for financing coal projects while marketing itself as a "green" bank.



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"How can Nedbank call itself 'the only green bank' and have almost R1bn of fossil fuel investments?" 350 Africa says on its campaign poster.

Ferrial Adam, 350 Africa and Arab World team leader, says although Nedbank, Standard Bank and Absa/Barclays together provided R10bn of loans for coal projects from 2005 to 2013, Nedbank is being targeted particularly because it calls itself "the only green bank".

The organisation is a partner in a global movement, 350.org, which is urging all investors in the fossil fuel industry (coal, gas and oil) to divest. The goal is to halt the world's reliance on carbon-emitting forms of energy. Adam says more than 160 universities, faith-based organisations and pension funds globally have pledged to divest.

Nedbank senior communications manager Sizwekazi Jekwa says they have engaged with 350 Africa seven times since November to try to reach a resolution. Like all South African banks, Nedbank has fossil fuel investments but has undertaken to move towards a more sustainable energy mix.

The transition from fossil fuels is expected to happen over several decades, but Nedbank also has the responsibility to provide energy during the transition. Nedbank's Fair Share 2030 strategy requires it to redirect some of its lending towards accelerating the decarbonisation of the economy, at a rate in line with the country's commitment, Jekwa says.

The increasing rate of extreme global weather events are for many people evidence of man-made global warming caused by rising carbon emissions. But others argue these phenomena reflect very longterm climate cycles over which humans have no control.

Imposing curbs on carbon emissions from power generation, industry and mining, as SA plans to do through carbon taxes, places a huge economic burden on businesses. But if global warming is truly caused by carbon emissions, divestment now will save far greater costs in the long run.

The anticarbon lobby argues that the rate of global warming can be controlled by cutting carbon dioxide in the atmosphere to 350 parts per million (ppm). In March the level exceeded 400ppm for the first time.

Scientists at University College London conclude that to achieve 350ppm, about 80% of the world's coal, 50% of its gas and 33% of its oil must stay in the ground.

From its beginnings in 2008 as a weekly meeting of students discussing social justice issues at Middlebury College, Vermont, 350.org has grown into a global partnership of more than 500 organisations, including Greenpeace, the World Council of Churches, several universities, Oxfam and youth organisations.

One of its founders, 31-year-old executive director May Boeve, recently visited SA. She says climate change is deeply connected to other social injustices. It is linked to gender justice, because women in rural societies are in the front line of collecting water and growing crops, and to the exploitation of poor societies in global trade networks that require cheap, available fuels.

"If we moved to decentralised, renewable energy, it would be a force for good, making communities more just," Boeve says. "If energy was decentralised, power would be decentralised."

The global growth of 350.org came when it organised the International Day of Climate Action on October 24 2009 - two months ahead of the 192-nation climate change conference in Copenhagen (COP17), to try to influence the conference outcomes. By reaching out to other organisations, it precipitated 5,200 events in 182 countries on that day.

"Being young activists, we had high expectations of what we could achieve," Boeve says. "But governments did not respond. Afterwards, we analysed what was wrong, and a few things emerged.

"Our movement was not big enough or strong enough. That is how our vision of connecting with other movements developed.

"We realised the fossil fuel industry was in the way. Fossil fuel money has crippled our democracy.

"The alternatives were available, but not widely known. People were still saying that there were no alternative viable power sources if we moved away from coal. That has been proven wrong."

But whether wind and solar are viable alternatives yet is still debatable. Rosemary Falcon, a leading academic in clean coal technology at Wits University and director of SA's Fossil Fuel Foundation, a nonprofit association focusing on coal and energy topics, says battery technology cannot deliver the volume of baseload power SA's industrial sector needs.

Furthermore, the coal-to-liquid plants of energy giant Sasol provide almost 40% of SA's liquid fuels as well as thousands of essential chemical and other products, Falcon adds.

Philip Lloyd, of the Cape Peninsula University of Technology's Energy Institute, says about 60% of SA's power is used by big industry, which provides jobs, and depends on large chunks of power on demand.

"Batteries are still talking kilowatt hours, industry is talking gigawatt hours," Lloyd says.

Baseload power has to come from nuclear, gas or coal, since SA has limited hydropower options.

Since its first successful campaign, 350.org's focus has moved to building political power and increasing pressure on the fossil fuel industry.

The timing of institutions selling their fossil fuel investments coincides with several years of weak coal and oil prices, raising doubt about whether this is done out of conscience, or for practical reasons. "Even from the perspective of hard facts, coal is a bad investment and has been for a while," Boeve said.

Econometrix MD Rob Jeffrey says the world is awash with money seeking profitable investments. "Money is available for coal-powered electricity generation despite the threats. But the power of green groups cannot be underestimated."

He says the rich world developed on the back of fossil fuels and is denying poorer countries the opportunity of using their natural resources to do the same.

Boeve says the kind of development the world needs had to be examined. "Communities in SA are saying the coal-fired economy is not serving them, as they have no access to water or electricity anyway," she says.

"It used to be that sustainable development pathways were pie in the sky. In 2015 that's no longer true. The technology to make the transition is available and it would be foolish not to jump at it as a pathway out of poverty and towards a climate-stable future."

Source: Business Day

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