

28 February 2024

FFCSA: Response to DBSA's CSO Workshop on the Just Transition

Background

The Development Bank of Southern Africa (DBSA) plans to host a Civil Society Organisation workshop on the South Africa Just Energy Transition on the 8th of March 2024 at the DBSA premises. On the 15th of February 2024, members of the Fair Finance Coalition of Southern Africa¹ were invited to a meeting with representatives of the DBSA from Stakeholder Relations and Climate Finance to discuss the proposed agenda of the workshop.

This meeting was as a result of previous advocacy work by the FFCSA calling for more inclusive, transparent, accountable and responsible financing processes of Development Finance Institutions (DFIs) in Southern Africa, including the DBSA. As a coalition, our thematic focus is Climate Change and the Just Transition and our work concerns fossil fuel investments as well finance flows to address the impacts of climate change and meet the needs of the response to the crisis, ethically and fairly.

Our advocacy has included local petitions², case studies³, protests, campaigns, policy assessments⁴, engagements with DBSA staff, including the Board of Directors, as well as thought-leadership research⁵. While the Coalition has been formally active since 2022, member organisations have engaged with DFIs for many years before, on issues of accountability and transparency and planned investments⁶.

During meeting with the Chairperson of the Board and fellow staff in November 2022 where FFCSA advocated for more civil society engagement, the DBSA invited the FFCSA to submit a proposal⁷ detailing a DBSA CSO Forum. The proposal presented the platform for a legitimate, representative and robust engagement platform allowing for consistent dialogue between the DBSA and civil society representatives. This proposal was received, and responded to by the DBSA, but not accepted in its entirety. Representatives of the DBSA have stated that this proposal has been internally discussed, and has led to a reformation of the CSO Workshop.

¹ Fair Finance Southern Africa is a civil society coalition working towards ensuring Development Finance Institutions invest in a socially and environmentally responsible manner in South Africa and Africa. The coalition focuses on issues of climate change and transparency. See <https://www.fairfinancesouthernafrica.org/>

² <https://350africa.org/stopkarpowershipsa/>

³ <https://www.fairfinancesouthernafrica.org/mozambique-gas-case-study/>

⁴ <https://www.fairfinancesouthernafrica.org/policy-assessment/>

⁵ https://www.fairfinancesouthernafrica.org/wp-content/uploads/2023/05/FFCSA-Report_Understanding-South-African-DFIs.pdf

⁶ <https://350.org/thumamina-call-on-south-africa-to-stop-financing-new-coal/>

⁷ <https://www.fairfinancesouthernafrica.org/wp-content/uploads/2024/01/FFCSA-DBSA-Forum-Proposal.pdf>

As a Coalition, we acknowledge the DBSA's openness to share their plans with the FFCSA ahead of the Workshop with time to comment. We also recognise the request of the DBSA to circulate the invite and make recommendations on the programme.

This letter serves as our feedback on the CSO Workshop agenda and concept note provided to us, in response to which we note the following:

FFCSA appreciates and accepts the invitation to speak at the Workshop. We remain at all times independent as a Coalition and our attendance of the Workshop and participation in the event does not influence existing or planned advocacy by the Coalition utilising means of protest, media engagement and or litigation.

We nevertheless note that we represent only one constituency of broader civil society, and that other speakers at the Workshop should include representatives from community groups, labour unions, indigenous peoples and other non-state actors. In particular, those who are at greatest risk of impact from the climate crisis should be included in processes that affect them and prioritised in decision-making in the Just Transition.

Any panel at the Workshop should thus be representative of the different experiences and perspectives existing across this spectrum. At this time FFCSA will refrain from making individual recommendations for such panellists, as we consider this to be the responsibility of the DBSA to manage and make legitimate space for.

We confirm that the FFCSA will circulate the invitation to the Workshop to our contacts, but we are not able to extend those invitations *on behalf of* the DBSA. We trust that the DBSA will ensure that invitations are circulated to all relevant stakeholders in a timely manner, and that every effort is made to facilitate both geographically and ideologically representative participation in the Workshop.

We encourage the DBSA to make the space as inclusive as possible, and enable wide and meaningful participation. In terms of the event itself, we understand that this workshop could serve as the basis for future engagements and potential CSO engagement frameworks established by the DBSA. We trust that all inputs are considered in a legitimate manner, and the DBSA reports back to workshop participants with progress on the commitments that could be made at the workshop. Overall, this serves as an opportunity for engagements between civil society and the DBSA at a critical juncture in the climate crisis and in the country's plans around the Just Transition. Open, reliable and consistent engagement serves public interest as well as the value-addition from the DBSA.

In attending and participating in the Workshop, the FFCSA retains the following positions:

We hold that public DFIs must serve the public interest. In this regard, we have always demanded and continue to demand inclusive and participatory DFIs which are accountable to the public. Such accountability can only be entrenched through consistent and robust engagement, wherein civil society and community engagement should be influencing the DBSA's operations in a meaningful manner, and where project information is provided by the Bank in good faith and timeously so that the public have enough time to engage and respond. In light of the critical role which DFIs must play in the Just Transition, particularly through ensuring local and ground level access to climate funds, we believe that such engagement is urgent. We therefore appreciate the initiatives being engaged on and established by the DBSA, and look forward to continuing our engagement therein.

Substantively, the FFCSA reiterates our request for the DBSA to ensure that all its operational policies are made public. In particular, we continue to encourage the DBSA to develop and publish a fossil fuel exclusion policy, in addition to the Bank's Net-Zero by 2050 statement⁸, and specific policies to address climate-related financial risk. We reiterate our call for the Bank to cease funding for new fossil fuel projects and related infrastructure (such as Mozambique LNG) and to publicly commit to ending existing fossil fuel projects in line with the Bank's Net-Zero position.

Regards

Fair Finance Coalition of Southern Africa

⁸ <https://www.dbsa.org/press-releases/dbsa-statement-net-zero>