

Final summary: Fossil Free UCT first meeting with UCT Vice Chancellor Professor Mamokgethi Phakeng

This meeting summary has been approved by the UCT administration, via email from Amanda Botha received 14 December 2018.

Context:

On 5 November 2018, Fossil Free UCT, represented by David Le Page and James Irlam, met for the first time with new UCT Vice Chancellor Professor Mamokgethi Phakeng to discuss the university's responsible investment commitments, mostly especially a possible commitment to fossil fuel divestment by the university.

As it happened, the meeting occurred five years to the day since we [first wrote](#) to UCT urging fossil fuel divestment.

Professor Phakeng was joined by university finance director Ashley Francis, Mughtar Parker (executive director of Properties and Services) and Shai Makgoba (director: Risk Compliance and Relationship Management).

Presentation and update by Fossil Free UCT:

We recapped the [history of our campaign](#) – the first letter in November 2013, endorsement from Archbishop Emeritus Desmond Tutu, [our petition now totalling close to 850 signatures](#) from staff and students, the 2014 launch on campus, engagements with former VC Dr Max Price including the Ethical Investment Task Team (2015) and Divestment Think Tank (2016), steady commitment from students of the Green Campus Initiative (GCI) and Climate Action Project (CAP), the 2017 vote by Convocation in favour of divestment, and Council's final endorsement in June 2017 of a draft responsible investment policy for the university.

We shared with the VC [the detailed report](#) on the Fossil Free UCT campaign that we compiled for submission to the IRTC earlier this year, and requested that it be shared with all the members of the UPRI and the Joint Investment Committee, and that the university give serious consideration to our detailed recommendations.

As an update to the summary of climate and divestment issues presented in our IRTC report, and to emphasis the great urgency of action, we outlined some of the headline issues raised in the recent [IPCC report on 1.5 degrees](#), not least, the requirement that the global economy reduce carbon emissions 45% by 2030, and 100% by 2050, to avert the most dangerous climate change impacts.

We also outlined some of the most recent evidence on the public health impacts of climate change, air pollution and fossil fuel use in South Africa, and the calls for a just transition

away from fossil fuels that will provide healthier and more sustainable jobs and livelihoods for many.

Noting that conventional financial analysis, as yet, frequently excludes significant analysis of climate risk, we highlighted research showing that equity analysts rarely look [beyond a five-year horizon](#), completely inadequate for addressing climate and carbon risk.

Given the fondness of South African asset managers for investing in Sasol, we pointed out that Sasol's approx. R25 billion annual returns to shareholders rest on a nearly R200 billion annual cost to society (76,5 million tonnes of greenhouse gases x \$200 social cost of carbon), dwarfing the compensatory R1 billion carbon tax that Sasol resists paying. (This cost still excludes other externalities of Sasol's business model, such as the health impacts from air pollution.)

UCT reports progress of the UPRI:

Ashley Francis outlined the progress to date of the University Panel on Responsible Investment (UPRI) established by Council, which includes representatives of various university sectors and external consultants. The UPRI has met twice so far, meets again in November, and expects to be engaging seriously with implementation of the responsible investment policy in early 2019.

UCT response on broad issues of investment/divestment:

Professor Phakeng's response to our thoughts was most encouraging. She indicated that sustainability is a priority for her management team. She said that it was her impression that UCT has moved to a position where continued investment in fossil fuels is accepted as no longer sustainable, and that the issues we are raising will soon be addressed, as will UCT's own issues of infrastructural sustainability. She cited progress by Ghanaian universities as exemplars of campus-based sustainability.

Ashley Francis also indicated that other South African universities are showing interest in UCT's progress on responsible investment.

The issue of UCT's research funding from Sasol was raised, and whether this might be affected by divestment from Sasol. Professor Phakeng pointed out that Sasol's research funding is not linked to UCT being invested in Sasol, and that it is in Sasol's own best interests to continue funding UCT research.

Professor Phakeng indicated that given that the UPRI is already broadly representative of UCT's different sectors, she does not think it is necessary for it to specifically canvass additional stakeholder input on responsible investment, but that she is happy to consider Fossil Free UCT as a partner and source of research and information that can assist UCT with its responsible investment journey.

