

Fossil Free South Africa

2021 Annual Report



University of Cape Town students protest in support of fossil fuel divestment on 11 March 2022. The next day, the UCT Council took its landmark decision to embrace divestment.

Introduction and context

If you look at [divestment] through the discipline of history, you see that it's incontrovertible that step by step by step it was the South African divestment movement that changed the public discourse, that transformed the decisions of corporations to get out of South Africa and our government... divestment has the impact of saying, what are your direct responsibilities? If you own stock in Exxon, if you're receiving dividends from Exxon whose business model is to destroy the planet, do you feel comfortable with that? Do you endorse what they're doing? Normally, when you own a stock, you're endorsing their business plan. And so instead of pushing this off to someone else, it transforms people and institutions exactly as a democracy should. – Robert Massie, historian and asset manager, 2015.

Beginnings

The international divest/reinvest movement began around 2012, urged by the climate activist group 350.org. The first institution to divest was Unity College of Maine in the US.

The movement was originally built on two key insights:

1. Firstly, that the collective stated reserves of the world's fossil fuel companies, if burnt, would far (five times or more) exceed what is considered to be a safe carbon budget for humanity. The global carbon budget is the amount of carbon that can be burnt 'safely', i.e., without pushing the planetary climate system to temperature increases that are generally agreed to be dangerous. This analysis was popularised by the London-based financial analysts Carbon Tracker (though it turns out Shell had done – but ignored – a similar analysis as far back as 1998).
2. Secondly, that if international agreements, national and regional regulation, social stigmatisation – and accelerating technology change – forces fossil fuel companies to leave the bulk of their reserves unburnt and underground, that will dramatically reduce their valuations in financial markets, reducing investor returns, compromising many pension fund values and creating economic turbulence.

Our campaign's logic

Climate change has increasingly been recognised as not only a major environmental issue, but a problem that threatens human life and civilisation, and that is already being felt most acutely by poor and vulnerable sectors of global society, not least in Africa.

Inspired in part by the global campaign to end apartheid by stigmatising companies invested in South Africa, the international fossil fuel divestment/reinvestment campaign – a decentralised movement of thousands of autonomous groups working within various institutions and across many regions and countries – aims to help stop climate change by targeting the companies that are most responsible for it: big oil, gas and coal.

The campaign's key focus asks investors of all persuasions to withdraw investment in these companies and where possible, reinvest these funds into ethically sound portfolios, preferably in renewable energy.

Our key call

Our original call on individuals and institutions persists: to help avert dangerous climate change, freeze all new investments in fossil fuels (starting with the Carbon Underground Top 200), and phase out all existing investments over five years.

We acknowledge that fossil fuels remain, for the time being, indispensable to global and national economies and human wellbeing. However, all energy companies now have an urgent responsibility to transition to sustainable energy within the timeframes set by climate science. Many have long known that this transition is necessary, but continue do everything

in their power to obstruct it. The latest climate obfuscation play by the fossil fuel industry climate is to hide behind meaninglessly long-term "Net Zero targets" that serve to conceal continued and expanded present-day fossil fuel extraction. But only those companies that also set short-term, year-on-year targets and demonstrate that they can meet them deserve any credit for sincere participation in the global energy transition.

How we know divestment works

The effectiveness of the divestment strategy is perhaps best demonstrated by the fact that some members of the fossil fuel industry are now campaigning to discredit it, such as the divestmentfacts.com website run by the Independent Petroleum Association of America. It has been cited as a risk by fossil fuel companies in their annual reports. It is also cited as a key anti-fossil fuel strategy by climate scientists: for example, in the paper [Social tipping dynamics for stabilising Earth's climate by 2050](#), the authors list divestment as a critical "social tipping intervention". In our own sphere, we have heard anecdotally via reliable sources that companies such as Sasol are also alarmed by divestment moves.

Our background

FFSA formed as a voluntary association in 2015, around 18 months after our campaign kicked off with a group letter to the University of Cape Town, urging UCT to divest. A full timeline of our efforts and progress can be viewed on our website at [During 2022, Fossil Free SA continued to work to push ahead the cause of fossil fuel divestment in South Africa, and we outline our work in greater detail below.](#)

Growth of the international divestment movement to 2022

When we commenced our campaign to persuade UCT to divest from fossil fuels, just seven institutions had divested globally. In late 2021, it was announced that the numbers of known divesting institutions had grown to over 1500, with total assets under management now exceeding \$40 trillion.

Divestment progress in South Africa

We are still in the process of running our first annual divestment survey, but to date, we are aware of the following six institutions having either committed to divestment or having implemented some steps towards divestment:

- **Cities:** The cities of Cape Town and Durban have announced divestment commitments, and Cape Town has made progress in implementation.
- **Universities:** As outlined below, the University of Cape Town announced plans to divest from fossil fuels in March 2022.
- **Philanthropies:** We know of two philanthropies that have divested from Sasol in the past year. The Tutu Foundation has often made public announcements about divestment, but has not responded to our several requests for details of implementation.

- **Faith-based organisations:** The Anglican Church of South Africa committed to divestment in 2017.
- **Investment funds:** We have supported and consulted on the development of the first SA equity to fund to substantially exclude fossil fuels: the BCI Select ESG Equity Fund, a passive fund based on an S&P ESG index that excludes thermal coal. This fund automatically excludes African Rainbow Minerals, BHP Group Plc, Anglo American Plc, Exxaro Resources, South32 Ltd (South Africa); and has an additional hard screen on Sasol.

Campaigning in 2021/22

UCT divests

Our campaign to get UCT to divest from fossil fuels was our founding, original campaign, so it's been brilliant to have the news that eight years after we first wrote to UCT asking for divestment, the university council decided on 12 March to divest. This was announced in the council minutes released on Friday, and News24 covered the story on Saturday. This is obviously a major, major milestone in our work. We are immensely grateful to the students of the Green Campus Initiative, and the thousands of people – students, academics, schoolchildren and other concerned stakeholders – who have supported directly, or signed petitions and written letters to the University urging that this step be taken. We thank the UCT Vice Chancellor, Professor Mamokgethi Phakeng, and the members of Council who supported this move.

While there have been other divestment commitments in South Africa (and we've heard recently of two foundations that have divested from Sasol), UCT is by far the largest institution to have done so. The long(!) institutional journey that the university has taken, and the detailed research and consultation on which its decision was based, makes the commitment all the more meaningful.

Wits campaign

We are supporting a core group of Wits academics who are leading efforts to move Wits University to consider issues of divestment and decarbonisation. The most recent move on this front was an online meeting with the new Wits deputy vice-chancellor for climate, sustainability and inequality, Imraan Valodia; and attending by over 30 academics. There appear to be significant misconceptions about divestment amongst Wits senior executive team members, and the next step is opening dialogues that can address them and drawing students into the conversation. Overall, we hope to nudge Wits towards the following outcomes, under the banner of climate justice: divesting the endowment, decarbonising the campus, offering fossil-free pension options, and further mainstreaming climate issues in teaching and research. Wits appears ready to decarbonise its physical infrastructure, less ready to decarbonise its financial infrastructure.

University of Stellenbosch campaign

We have on and off over the years attempted to foster a divestment campaign at Stellenbosch, and in 2022, see substantial signs of interest in divestment campaigning at Stellenbosch by academics and students. We have spoken twice at SU events touching on divestment in early 2022, and recently had the opportunity at one of these events, to engage the Stellenbosch University chief operating officer, Professor Stan du Plessis, on divestment. We very much hope to build on this contact.

Our #InvestFossilFree campaign is close to igniting

We're excited that this slow-burn campaign we launched nine months ago is close to maturing: We now have a list of over 90 clients of Allan Gray who want their asset manager to give them a fossil-free fund! Signatories to our letters to other campaign targets – Old Mutual, Ninety One, the GEPF, etc – average around 30 each. We are working slowly to find high-profile signatories to our GEPF campaign, with former cabinet minister Ronnie Kasrils our first key signatory.

We support Clean Creatives SA

We have been supporting the Clean Creatives initiative, a new effort to block the fossil fuel industry's access to advertising and PR talent, which we are supporting here in South Africa, and we hope to make this a separately funded spin-off campaign of FFSA, and have filed a separate funding request to support this.

Global divestment now spans funds worth \$40 trillion

When we started working on building a fossil fuel divestment movement here in South Africa, the global pool of capital that had committed to removing fossil fuels was less than \$200 million. Only a handful of institutions had made the commitment. In the letter to UCT that launched our campaign, we could point to only six US universities that had taken this step. We are delighted to report that eight years later, institutions worth a collective \$40 trillion (take a look) have now undertaken various forms of divestment. It's worth remembering that divestment is now recognised by social scientists as being a key "social tipping dynamic" for climate stabilisation.

Other work streams:

1. **Efficient Group / S&P:** As part of our efforts to foster the creation of fossil fuel-free funds, which mostly do not exist in SA, we have (and in partnership with Just Share) had a three- year engagement with the Efficient Group, which has led to the creation of a substantially decarbonised fund, the Select BCI ESG Equity Fund. This passive fund is based on an S&P index fund that excludes thermal coal, and has an additional hard screen on Sasol. We have ongoing engagements with the managers of this fund, are attempting to link them with prospective investors, and are also engaging with S&P on the substance of their ESG standards.

2. **Media 24 engagements:** Frustrated by the low profile of climate issues in the news, we have been engaging with News24 editors about their climate coverage, and have had a meeting with News24 reporter Lameez Omarjee. This is an ongoing process and a lesser priority than our core campaigns. News24 has been prioritised as they are the most-read mainstream publication in SA, and they have a reader's editor/ombud, which makes productive engagement perhaps more likely.
3. **Engagement with China:** Following the September announcement by China's Premier Xi Jinping that China would no longer finance new coal power abroad, we wondered about the implications of that announcement for the giant, very dirty coal-fired power plant proposed for the China-financed Musina-Makhado Special Economic Zone. We wrote to the Chinese Embassy in Pretoria asking for clarification. Somewhat to our surprise, they replied – and confirmed that China's end-to-overseas-coal-funding policy applies now in South Africa.
4. **Sasol:** Sasol has of late been making efforts to persuade its stakeholders that it has gone "green" and now "supports the Paris agreement". We're not so convinced, and have written a [detailed briefing](#) explaining our scepticism. In a nutshell, for Sasol's targets and policy to be credible, it needs to increase ambition, bring forward capital expenditure, acknowledge that fossil gas is not a climate solution, start listening to shareholders and stakeholders, and demonstrate that it is capable of meeting targets as well as of setting them. We participated in the soul-deadening Sasol AGM on 19 November, where we asked several questions about Sasol's climate commitments, without receiving any satisfactory answers. The engagement confirmed our sense that Sasol, like other fossil fuel companies, does not respond significantly to shareholder pressure, and that divestment campaigning is likely to be a more productive strategy for applying pressure.
5. **General outreach:** We make ongoing efforts to build the profile of divestment and Fossil Free South Africa. Our most recent effort in this respect was a hybrid event focused on divestment and the labour movement. This was co-hosted by ILRIG, the labour research group, at Community House in Salt River, and attended about 15 people.

Recent media and press

2022

- 23 March 2022: "[UCT's decision to divest from fossil fuels is to be lauded – but it must be more than just symbolic](#)"
- 22 March 2022: "[GRAY MAGUIRE: UCT's move against fossil fuel investment signals hardening attitude](#)"
- 19 March 2022: News24: "[UCT gives green light to ditch fossil fuels](#)"
- 19 January 2022: News24: "[Are my investments supporting fossil fuel companies?](#)"

2021

- 3 December 2021: GroundUp: [“UCT urged to urgently divest from fossil fuels”](#)
- 3 December 2021: CapeTalk: [“UCT to look into divesting itself of Fossil fuels”](#)
- 19 November 2021: Mail & Guardian: [“China won’t fund coal power for Musina-Makhado Special Economic Zone, ambassador confirms”](#)
- 19 November 2021: The South African: [“China pulls out of building a ‘mega power plant’ in Limpopo”](#)
- 19 November 2021: Engineering News: [“China withdraws funding from Limpopo 3 GW SEZ power project”](#)
- 12 November 2021: Smile FM: [Interview](#) on Smile Breakfast
- 14 September: Business Day: [‘IPCC report should be a wake-up call to Mantashe on “bridge gas”’](#)
- 18 August 2021: Daily Maverick: [‘Climate crisis: Decarbonising window will close for universities like Wits if they don’t lead the way’](#)
- 18 August 2021, Mail & Guardian: [‘Academics, students urge Wits to divest’](#)
- 12 May 2021, Mail & Guardian: [‘UCT needs to clean up its dirty investments’](#)
- 11 May 2021, Daily Maverick: [‘Green power: UCT put in crosshairs by climate crisis activists taking a stand against fossil fuels’](#)
- 11 May 2021, Cape Talk: [‘UCT fossil fuel divestment protest’](#)
- 16 April 2021, *Mail & Guardian*: [‘Wits in a climate hot spot’](#)
- 23 March 2021, TimesLive: [‘Our public finance institutions are fuelling climate change’](#) (Joint oped with 350Africa.org, African Climate Reality Project, Catholic Parliamentary Liaison Office, Justiça Ambiental (Friends of the Earth Mozambique) and the Life After Coal campaign)
- 18 March 2021, The World (co-production of PRX and WGBH, US public radio): [‘The Big Fix: Climate divestment activists draw inspiration from South Africa’s anti-apartheid struggle’](#)
- 22 February 2021 in Citywire: [‘Local managers respond to Fossil Free SA’s call for fossil fuel-free funds’](#)

Governance and organisational development

Overview

Our management committee has been understaffed for two years. Despite considerable efforts to fill these gaps, we are still looking for new candidates for our management committee/board. We have asked Stephen Horn of Clean Creatives to join ManCo, and have approached two other candidates so far.

We have formalised our membership, and now have 20 members who endorse our key mission and values; these are the people eligible to serve on our management committee.

We will be scheduling our next AGM soon, once we have finalised new ManCo candidates. In respect of funding, we are actively continue to seek funding from other funders and succeeded in getting a R50,000 supplementary grant from the Rosa Luxemburg Foundation in December. We have approached around five other funders over the past few months, so far without success.

Management committee as at April 2022

This is our current management committee. We hope to announce new appointments soon:

- **Chair:** Vacant
- **Vice-chair and coordinator: David Le Page:** David is a science and human rights journalist who has been engaged in climate issues since 2005. He launched the Fossil Free UCT campaign in 2014, and co-founded Fossil Free SA in the same year.
- **Treasurer: Thando Lukuko:** Thando is an experienced climate campaigner who currently serves as the national node coordinator of the South African Climate Action Network.
- **Secretary: Andrew Park:** Andrew is an educator, counsellor and one of our most committed volunteers.

Staff

David serves as the full-time coordinator of Fossil Free SA, supported by our part-time employees:

- **Eugene Fisher: Administrator.** Eugene provides support with general administration, accounts and finances, reporting to SARS and the Department of Social Development, and also assists David with admin on our outreach and funding work.
- **Mitchelle Mhaka: Social media.**
- **Jo-Anne Smetherham: Media.** Communications, drafting of press releases, editing of news articles, liaison with the media.
- **James Granelli: Intern.** James supported David with campaign development work during December 2021/January 2022.

Finances

After four years of financial support from the Wallace Global Fund, they ended their support for us in 2021. Our new core funder is the European Climate Fund, from which we received a grant of US\$50,000 in August 2021. We managed to secure an additional R50,000 from the Rosa Luxemburg Foundation in December 2021. Together with our new Clean Creatives partners, we have applied to ECF for a further \$50,000 to fund the new Clean Creatives campaign that we will be hosting and fostering.

Social media

Our main method of reaching our follower is our website and mailing list, supported by our profiles on major social media platforms. Our social media presence has been enhanced by our new social media officer, Michelle Mhaka, who is working to transform our virtual supporters into full supporters.

- Website: 7,398 website views from 4,358 visitors in 2021.
- MailChimp: Around 600 current recipients.
- Facebook: 1,507 page followers.
- Twitter: 790 followers.
- Instagram: 475 followers.
- LinkedIn: 170 followers.

Networks and affiliations

Our most regular partner organisations continue to be 350 Africa and Just Share. We are somewhat active members of the South African Climate Action Network, and to a lesser extent, the Climate Justice Coalition. Our participation in these networks will hopefully increase if and when we are able to expand our staff and capacity. We are network affiliates of the UN Principles for Responsible Investment.

This report was compiled and written by Fossil Free SA coordinator David Le Page in April 2022: david@fossilfreesa.org.za / +27845220968 / www.fossilfreesa.org.za.