



Introduction to the Environmental Offsetting Discussion Document Project

The Initial Stakeholder Workshop on Environmental
Offsetting, 27 to 28 October 2014, Manhattan Hotel,
Tshwane



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Presented by Peter Lukey, Chief Policy
Advisor: Strategic Environmental Intelligence,
Department of Environmental Affairs



Presentation overview

- Death by a thousand cuts
- The DEA 4D Management decision
- Direction from the NDP 2030
- The project



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Death by a thousand cuts



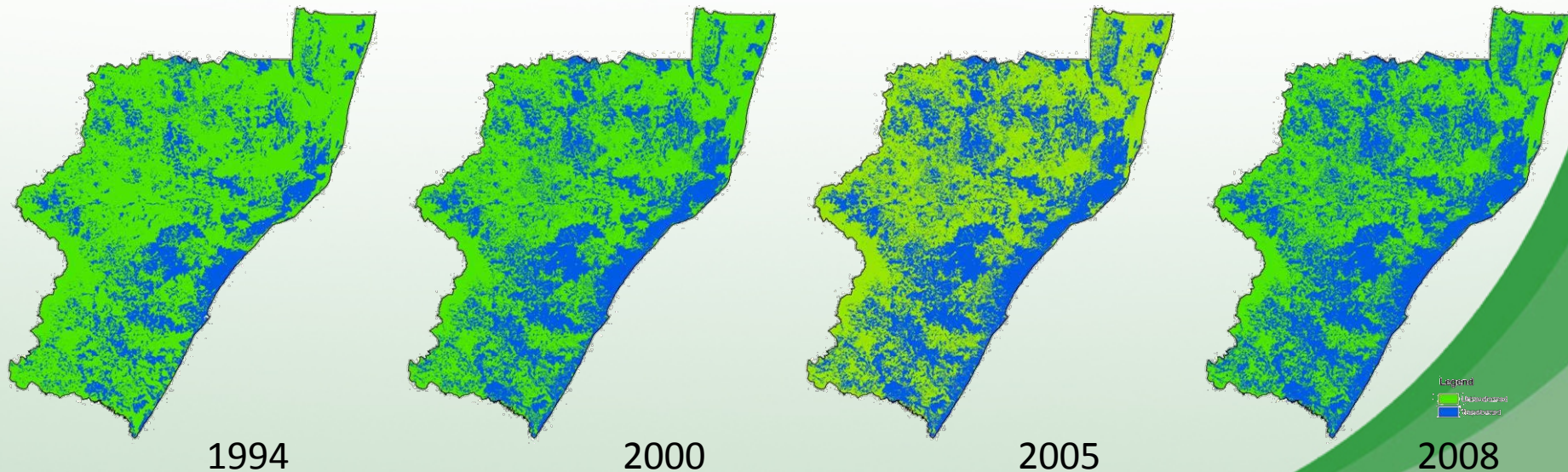
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Death by a thousand cuts

- In North West, KwaZulu-Natal and Gauteng, at current rates of conversion of natural vegetation to other land uses, almost no natural habitat will be left outside protected areas by about 2050.



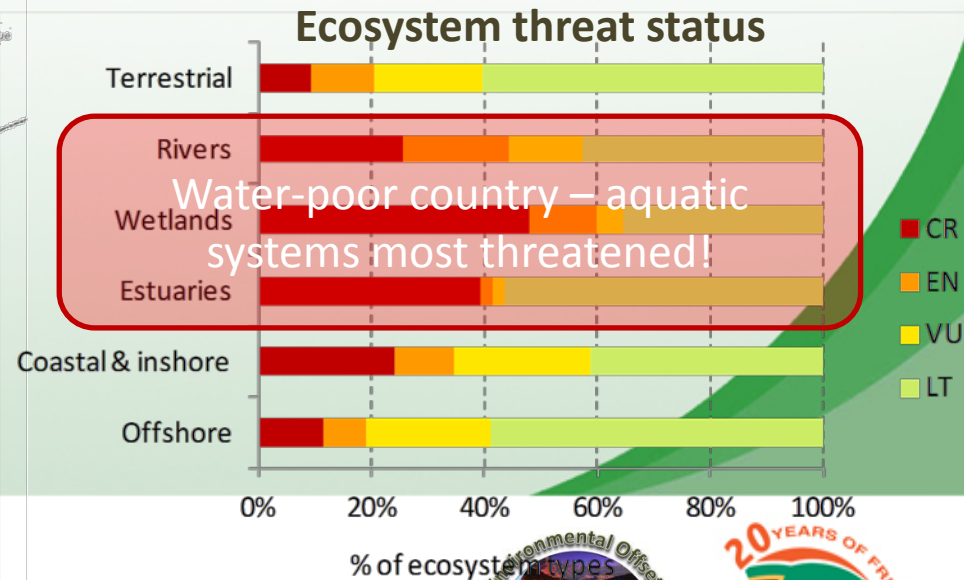
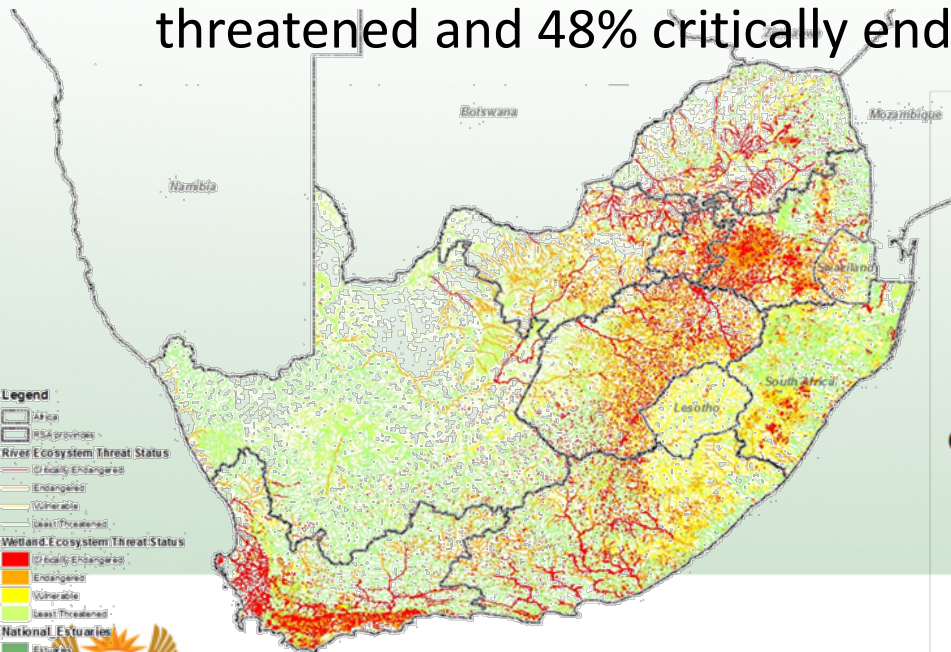
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Death by a thousand cuts (Cont.)

- Of the 223 river ecosystem types, 60% are threatened with 25% of these critically endangered
- Although we may have already lost 50% of our wetlands already, of the remaining 792 wetland ecosystems, 65% have been identified as threatened and 48% critically endangered.



Legend

Africa
 RSA provinces
River Ecosystem Threat Status
 (Of locally Endangered)
 Endangered
 Vulnerable
 Least Threatened

Wetland Ecosystem Threat Status
 (Of locally Endangered)
 Endangered
 Vulnerable
 Least Threatened

National Estuaries
 Endangered
 Vulnerable



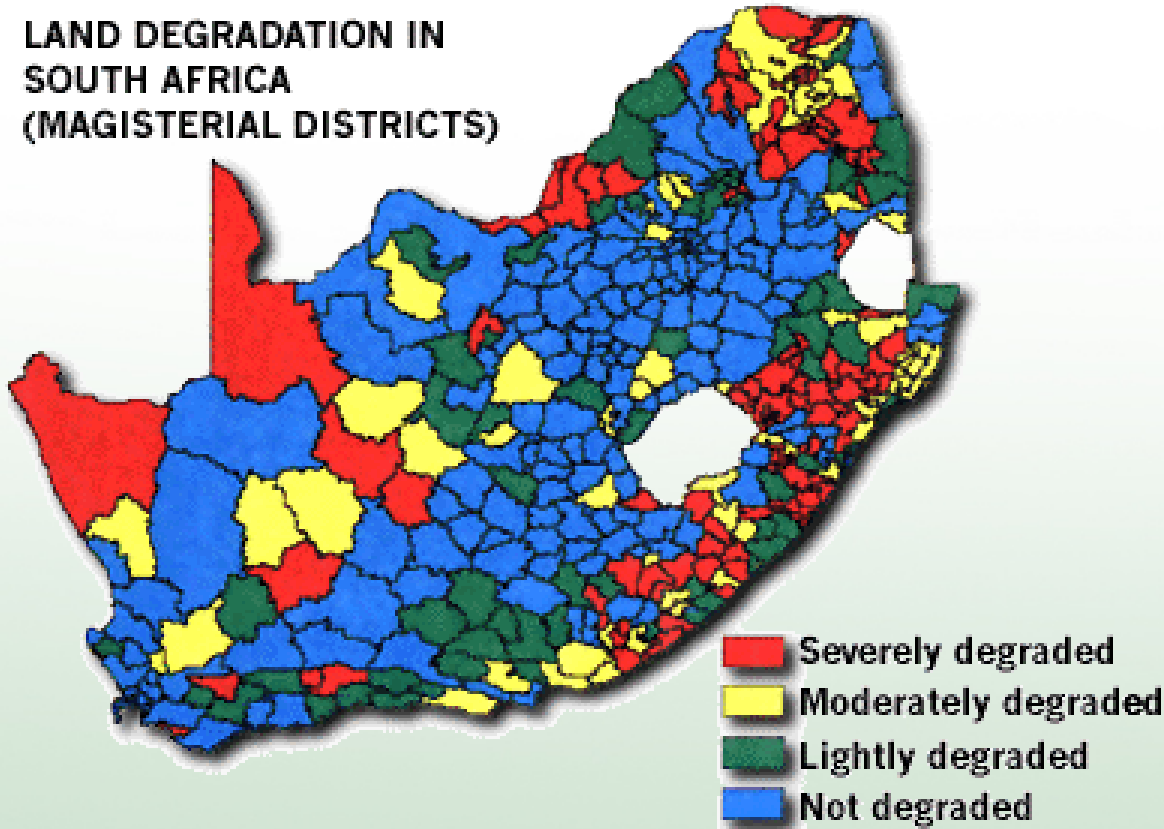
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Death by a thousand cuts (Cont.)

LAND DEGRADATION IN SOUTH AFRICA (MAGISTERIAL DISTRICTS)

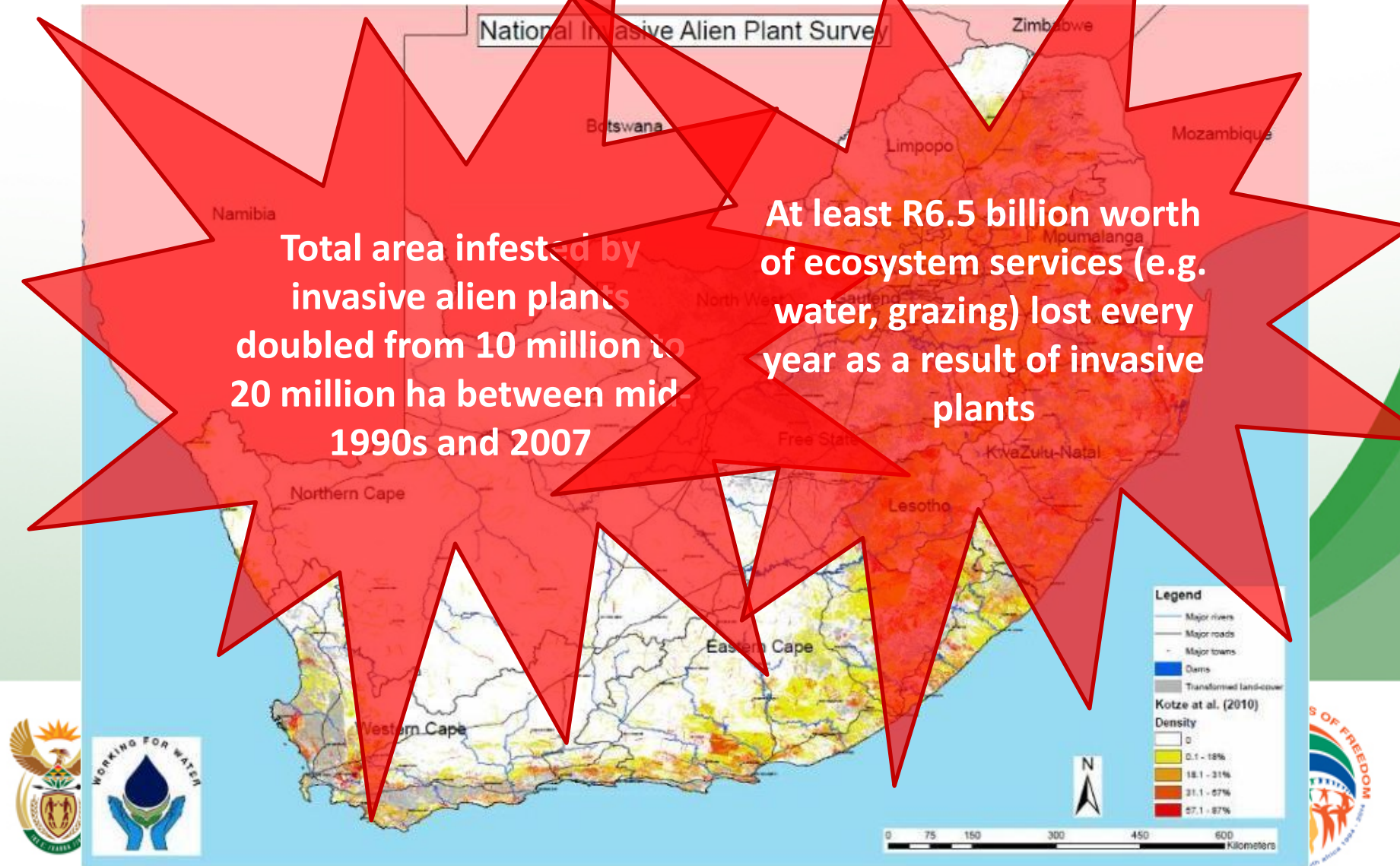


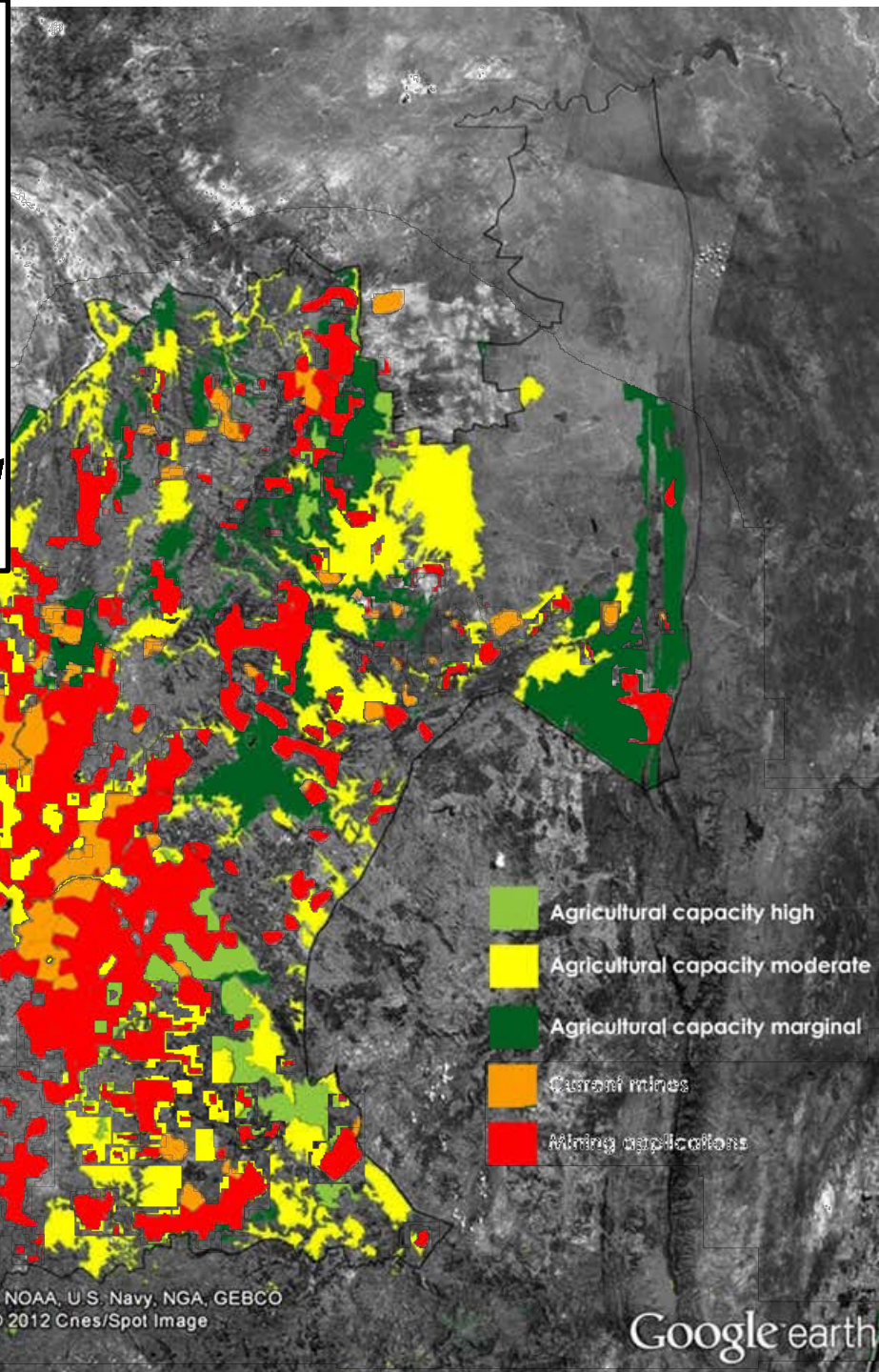
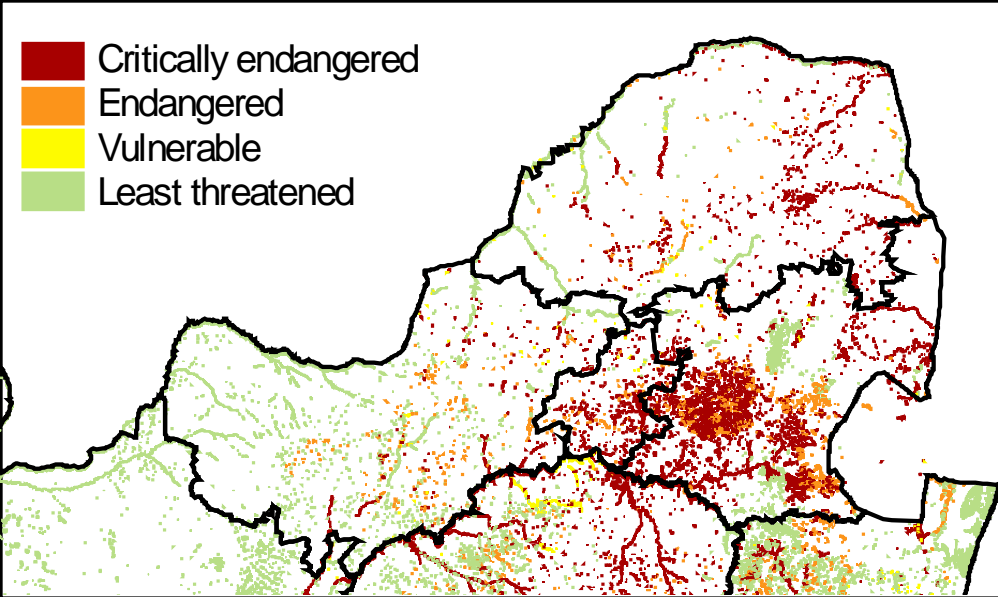
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Death by a thousand cuts (Cont.)





Graphics adapted from presentation by Gerhard van der Burgh, Bureau for Food and Agricultural Policy (BFAP), April 2013, delivered to the Agriculture, Mining and Agriculture Conference on 9 April 2013



Data SIO, NOAA, U.S. Navy, NGA, GEBCO
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Google earth

4/21/2012
2001 2012



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1776 m

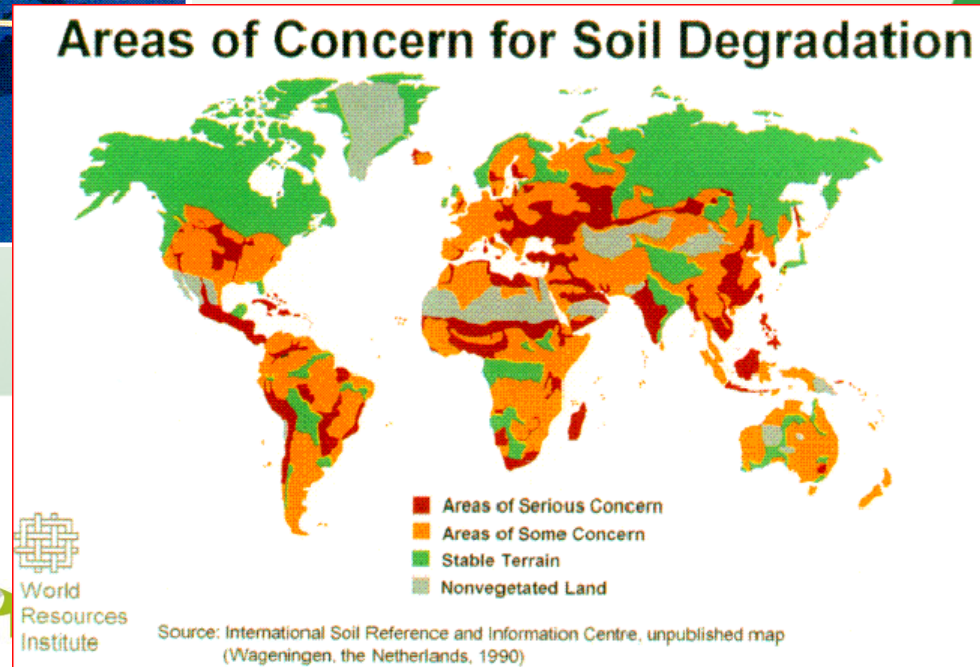
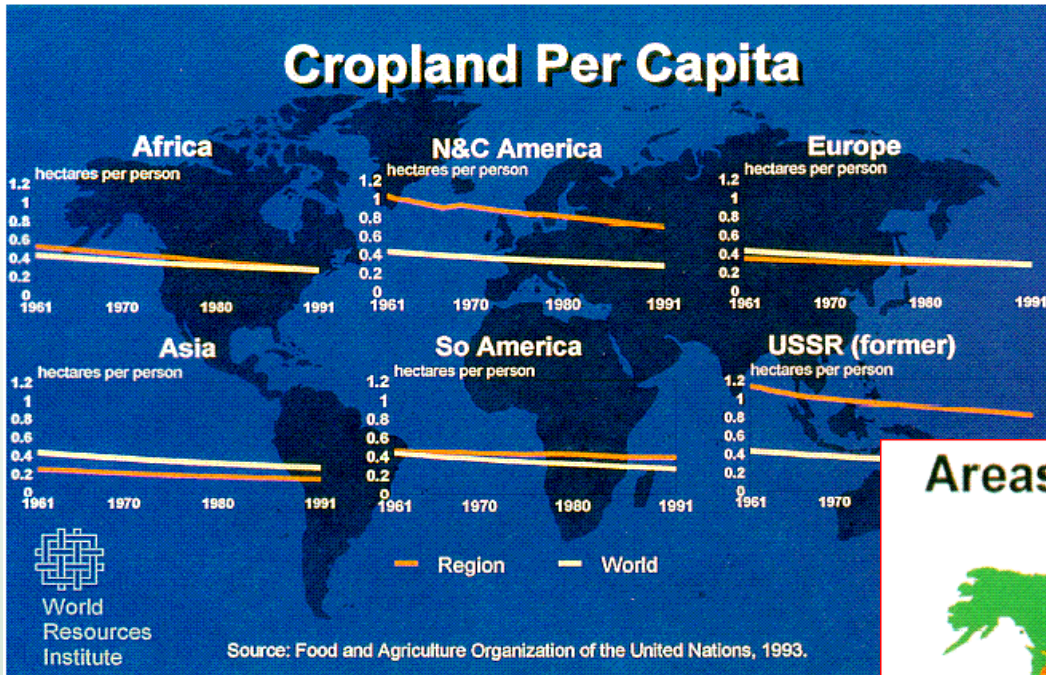
Imagery Date: 4/21/2012 2001

26°02'59.75" S 29°15'50.32" E elev 1514 m

Eye alt 9.32 km

Death by a thousand cuts (Cont.)

- This is not just a local issue



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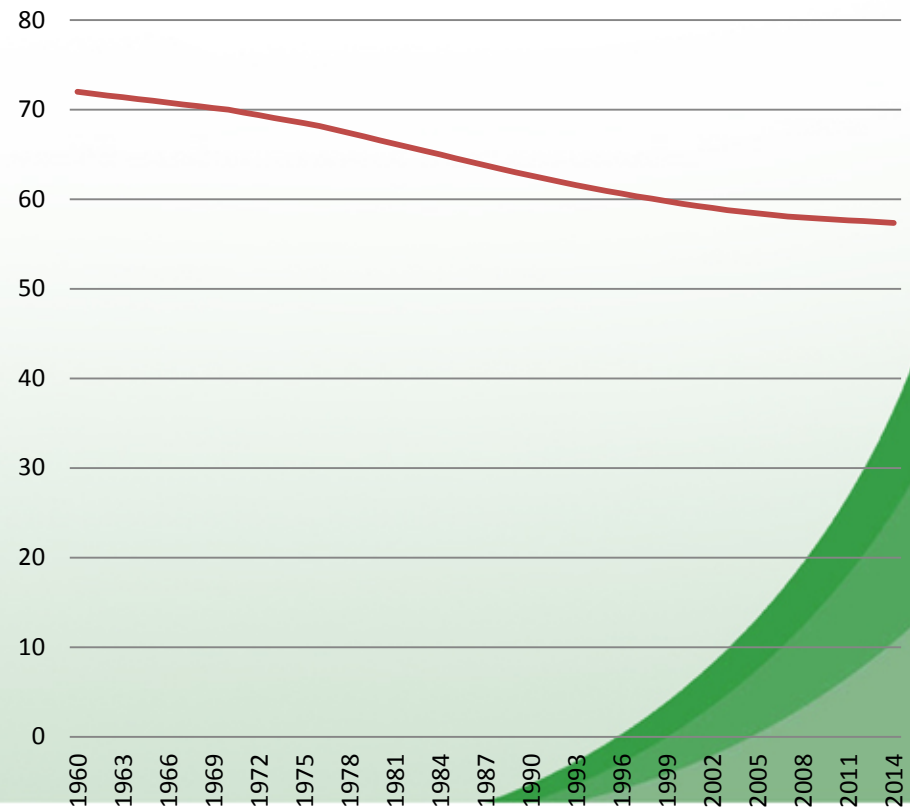
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Death by a thousand cuts (Cont.)

- Although we know/believe (hope?) that EIAs have slowed the rate of destruction and degradation of the environment, EIAs do not eliminate or reverse this depressingly continuous downward trend

The South African Environmental Quality Index



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Death by a thousand cuts (Cont.)

- The basic fact is that if we keep on taking from our natural environment without giving back, then we shouldn't be surprised by ever-decreasing environmental quality and...
- The ever-increasing cost of delivering basic services using technological infrastructure that is needed to replace the degraded or destroyed ecological infrastructure that was providing these life-providing and life-enhancing services for free.



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The DEA 4D Management decision



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The DEA 4D Management decision

- Presentation to DEA 4D on 11 June 2012 resulted in the decision to explore the development and take-up of the broader environmental offsetting concept based, principally, on two points –
 - Continued decline is inevitable if we don't start fixing what can be fixed; and
 - NEMA Principle 2(4)(p) - *The costs of remedying pollution, environmental degradation and consequent adverse health effects and of preventing, controlling or minimising further pollution, environmental damage or adverse health effects must be paid for by those responsible for harming the environment.*



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Direction from the NDP 2030

“Market and policy failures have resulted in the global economy entering a period of "ecological deficit", as natural capital (ground water, marine life, terrestrial biodiversity, crop land and grazing) is being degraded, destroyed, or depleted faster than it can be replenished. Waste and carbon-equivalent emissions per capita are climbing faster every year in an ecosystem with finite limits.”



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Direction from the NDP 2030 (Cont.)

“The country needs to... protect the natural environment in all respects, leaving subsequent generations with at least an endowment of at least equal value.” [own emphasis]



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Direction from the NDP 2030 (Cont.)

When talking about environmental offsetting, three issues, among others, are often regarded as among the essential elements of the concept:

- **Regulatory regime** - The first is the basic justification for offsets namely, that the regulatory regime must make provision for the offsetting of negative environmental impacts in a way that results in a net environmental benefit or, at the very least, no net loss;
- **Non-offsetables** - The second relates to so-called non-offsetables, i.e. the need to formally protect irreplaceable ecosystems and/or processes; and
- **Offset accounting** - The third relates to ensuring that offsetting is, in fact, resulting in a net environmental benefit through proper monitoring, accounting and reporting.



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Direction from the NDP 2030 (Cont.)

With these 3 issues, at least, the environmental offsetting concept appears to resonate very strongly with the National Development Plan (NDP 2030)

–
“the National Planning Commission will develop a strategy to protect the country’s natural resources:

- (i) An environmental management framework for addressing serious environmental or social effects and for promoting improvements in related areas;
- (ii) A target for the amount of land and other natural resources (presently about 7.9 million hectares of land and 172km² of ocean are protected); and
- (iii) A set of indicators for natural resources, accompanied by publication of annual reports on the health of identified resources to inform policy.”

The regulatory regime?

Protecting non-offsettables?

Offset accounting?



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The Environmental Offsetting Discussion Document Project



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The Project

- The project aims to, among others –
 - Demystify the environmental offsetting concept;
 - Provide an analysis of the both the possible pros and cons of the concept;
 - Provide insights into international uses and experiences of the concept;
 - Provide an analysis of potential costs and benefits of the use of the concept;
 - Provide insights into stakeholder concerns and hopes;



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Objectives Analysis (Cont.)

- Provide actual case studies;
- Provide insights into the potential governance challenges and possible solutions;
- Estimate the possible scope and/or impact of offsetting;
- Identify information gaps that will need to be filled before detailed policy can be developed;
- Identify possible limitations to the use of the concept;



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Objectives Analysis (Cont.)

- Suggest ways and means by which efficient and effective offset accounting can be carried out;
- Identify potential sectoral applications (e.g. mining has been considered a particularly important potential sector for the use of offsets);
- Identify the important policy questions and choices associated with the efficient and effective use of environmental offsetting.



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Strategy Analysis

- The strategy that has been chosen to rollout the exploration and/or development of the offsetting concept is the practical implementation of the NEMA Principle 2(4)(f), namely –

The participation of all interested and affected parties in environmental governance must be promoted, and all people must have the opportunity to develop the understanding, skills and capacity necessary for achieving equitable and effective participation, and participation by vulnerable and disadvantaged persons must be ensured.



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Strategy Analysis (Cont.)

- In essence, the first step in the process of exploring the offsetting concept is an attempt to develop a broad stakeholder understanding of the concept so that, if and when policy in this regard is developed, all interested and affected parties are able to participate in the policy development process in an informed manner.
- To this end, the department has decided to compile a discussion document aimed at focussing and encouraging discussion and debate around offsetting.
- Initial thinking in this regard suggests a relatively compact (30-40 page), attractive (e.g. richly illustrated) booklet initially targeted at policy-makers and policy-shapers



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Overall Project Objective

- The overall objective for the work described by the project terms of reference is framed as a desired outcome as follows –

By project completion, all interested and affected parties have access to basic information around the concept of environmental offsetting in a South African context that has been informed by various key environmental offsetting actors and role players



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Immediate Project Objectives

- In order to contribute to the overall project objective, the Environmental Offset Discussion Document Project has the following immediate objectives –
 - **Immediate Objective A – The initial outreach and information gathering objective**
 - Within two (2) months of project award, the department and consultants have hosted a key stakeholder workshop that provides a platform for: (i) the department to introduce the Environmental Offset Discussion Document Project; (ii) all key stakeholders currently involved in environmental offsetting or related activities to present and discuss their work; and (iii) the consultants to provide a briefing on international and local environmental offsetting initiatives, practise and experience.



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Immediate Project Objectives (Cont.)

- **Immediate Objective B – The document compilation objective**
 - Within four (4) months of project award, the department and consultants have compiled a high quality draft of the Environmental Offset Discussion Document to be used as the basis for the stakeholder engagements aimed at informing the final version of the discussion document.
- **Immediate Objective C – The publication objective**
 - Within six (6) months of project award, a high quality Environmental Offset Discussion Document has been published in hardcopy and electronically on the department's web site.



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Project Management

- The **Project Director** is the department's CPA: SEI, **Peter Lukey**
- The **Project Manager** is Linkd Environmental Services' Senior Researcher and Project Manager, **Matthew Gaylard**
- The **Project Steering Committee** is –
 - **Wilma Lutch (Pamela Kershaw)**- Director: Biodiversity and Conservation;
 - **Kiruben Naicker** - Director: Biodiversity and Conservation;
 - **Elizabeth Masekoameng** - Director Atmospheric Policy Regulations and Planning;
 - **Reitumetse Molotsane** - Director Monitoring and Evaluation;
 - **Barney Kgope** – Director Carbon Sink Mitigation



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Questions or Comments



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