



environmental affairs

Department:
Environmental Affairs
REPUBLIC OF SOUTH AFRICA

Ref: 02/1/5/2

MINISTER

QUESTION NO. 1726 FOR WRITTEN REPLY: NATIONAL ASSEMBLY

A draft reply to Mr G R Morgan (DA) to the above-mentioned question is enclosed for your consideration.

**Ms NosiphoNgcaba
DIRECTOR-GENERAL**

DATE:

DRAFT REPLY APPROVED/AMENDED

**MRS B E E MOLEWA, MP
MINISTER OF WATER AND ENVIRONMENTAL AFFAIRS**

DATE:

NATIONAL ASSEMBLY

(For written reply)

QUESTION NO. 1726

INTERNAL QUESTION PAPER NO. 20 NW2109E

DATE OF PUBLICATION: 27 July 2012

Mr G R Morgan (DA) to ask the Minister of Water and Environmental Affairs:

- (1) Whether she has taken note of the "Inclusive Wealth Report 2012: Measuring Progress toward Sustainability" released by the United Nations Environment Programme (UNEP) on 18 June 2012; if so, what is her response; if not, will she take note of its contents;
- (2) whether the Department of Environmental Affairs is making any effort to (a) quantify and (b) determine trends of exhaustible natural capital in the country; if not, why not; if so, what are the relevant details;
- (3) whether she has found that natural capital accounting should become a factor in major planning decisions in the country; if not, how was this conclusion reached; if so, what are the relevant details;
- (4) whether she will discuss with her Cabinet the need for inclusive wealth accounting in South Africa; if not, why not; if so, what is the position in this regard?

NW2109E

Mr G R Morgan (DA)

SECRETARY TO PARLIAMENT

HANSARD

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PRESS

1726. THE MINISTER OF WATER AND ENVIRONMENTAL AFFAIRS ANSWERS:

- (1) I have taken note of the "Inclusive Wealth Report 2012: Measuring progress toward sustainability" released by the United Nations Environment Programme (UNEP) on 18 June 2012 and have noted, among others –
- That the report introduces a new index, the Inclusive Wealth Index (IWI) that attempts to provide a comprehensive measure of the major contributors to a nation's stock of wealth by capturing three forms of capital, namely: produced-, human- and natural-capital.
 - That this is an important contribution to the ongoing scientific work on the question of how to value and measure the natural resource asset base. It must also be noted that South Africa is also making important contributions to this area of work. The King III "triple bottom line" corporate reporting system and the SA Top 100 Carbon Disclosure Reporting initiative are two practical examples of this.
 - Although the report (of over 300 pages) needs to be analysed in far more detail before we can draw our own specific conclusions in this regard, we concur with the fundamental message of the report – that GDP growth is a completely inadequate measure of economic, social and environmental well being and wealth, particularly if the world is endeavouring to pursue a path of sustainable development.
 - This confirms our own analysis and responses, which are already under implementation, for example, the activities under Presidential Outcome 10.
- (2) In line with the report's 2nd recommendation, namely: that countries should mainstream the IWI within their planning and development ministries, the Department of Environmental Affairs will continue to work with the National Planning Commission, the Department of Economic Development, the National Treasury and, most importantly, the Department of Performance Monitoring, Evaluation and Administration in The Presidency to develop and use appropriate sustainable development indicators, including the quantification and monitoring of our "natural capital." To this end –
- The indicators associated with Presidential Outcome 10 progress monitoring are important first steps in the development of such indicators.
 - Further, the Department of Environmental Affairs has entered into aMoU with Stats SA to develop robust sustainable development indicators which will be routinely measured and reported by Stats SA as part of the country's robust sustainable development reporting, for,

among other uses, as a basis for robust development planning going forward. The first data sets are currently under evaluation.

- (3) As stated above, and as witnessed by our current efforts around the green economy, natural capital accounting is already starting to become a factor in major planning decisions in the country.
- (4) See (2) above.

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