

**Keynote address by Marthinus van Schalkwyk,  
Minister of Environmental Affairs and Tourism,  
at the Western Cape Climate Change Summit  
Cape Town International Convention Centre**

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Western Cape Premier, Ebrahim Rasool  
MEC for Environment, Planning and Economic  
Development, Tasneem Essop  
Honoured guests  
Ladies and gentlemen

Introduction

I would like to commend the Western Cape province for hosting this Climate Summit. As we continue to improve our understanding of the impacts and risks of climate change, we increasingly understand that we must also find local solutions to deal with this global challenge.

Building on the progress achieved at this Summit, the next challenge is for the province to take this Summit to every local municipality and local community, where I am sure you will find many willing partners to work with you in moving from planning to implementation.

In government, industry and households, we take decisions every day that could lock South Africa's next generation into accelerated climate change, increased emissions, inefficient energy use, and wasteful patterns of production. We just have to think of the lifespan of decisions that we all make every day. Every vehicle purchased has a likely lifespan of at least ten years; factories and industrial developments will be there for at least thirty years; power stations and energy facilities last for fifty years or more; homes and offices have a lifespan of at least one hundred years; and decisions about land-use and development patterns last even longer than that.

These are the kinds of decisions that we need to consider carefully if we want to place the country on a more sustainable, climate-friendly growth path.

## Adaptation

But we must also ask how we deal with the risks and threats to existing infrastructure and current economic and development activities. In particular, we must find innovative ways of adapting to the inevitable impacts of climate change.

I am therefore confident that this Summit will lead to an action plan that will assist with our joint efforts to integrate adaptation policies and measures with our national, provincial and local sustainable development strategies.

In this province, interventions in key policy areas are required particularly in the agricultural sector for example by developing more drought and flood resistant crops and considering crop switching strategies, and in water resource management. It will also be critically important to find ways of communicating information about climate scenarios and adaptation options to subsistence farmers and rural communities. Other urgent tasks include improving early warning systems and the capacity for disaster management, risk screening of major infrastructure investment projects, in particular in coastal areas, and the strengthening of physical defences against flooding.

## International climate regime and national implementation

In considering a more effective, flexible and fair international climate regime beyond 2012 we understand that we all have to do much more. And though developed countries have an obligation to take the lead by adopting more ambitious emission reductions under the Kyoto Protocol, as developing countries we understand that we also have to do more to act on our responsibilities. The South African Government understands the urgency of action, and that the costs of doing nothing about climate change far outweigh those of taking concrete measures.

Our roadmap for a national climate policy recognises that the solution to the critical challenges we face should be addressed through integrated government planning, in collaboration with stakeholders through the National Climate Change Committee (NCCC) and a strengthened

multilateral regime.

To this end, the Inter-Ministerial Committee on Climate Change led by the Department of Environmental Affairs and Tourism (DEAT) initiated the Long Term Mitigation Scenario (LTMS) process. This process will outline the range of ambitious but realistic scenarios of future climate action, notably long-term emissions scenarios and their cost implications. In addition, various national departments, provinces and cities are refining their sector plans in line with the National Climate Change Response Strategy. Working closely with industry, DEAT will also be finalising our updated Greenhouse Gas Inventory. All this will inform our first ever Long Term National Climate Policy. We plan to publish this during 2008/9.

On the mitigation side, DEAT will also initiate a process that will, over the next few years, match our efforts on the mitigation scenario building process. This will culminate in a National Adaptation Plan.

The carbon market challenge

In terms of reducing harmful emissions, you yesterday had extensive discussions on taking the first steps towards decarbonising the energy sector in the province. Given that the energy sector is the single largest source of emissions in South Africa, the government's current interventions are aimed at more efficient energy use, diversifying energy sources, and research and development aimed at new technologies that promote cleaner and advanced energy production and consumption.

Though the Western Cape is likely to feel the most acute impacts of climate change, it also has the luxury of abundant potential for renewable energy sources.

I would like to refer to one specific opportunity that we are yet to fully exploit. That is the Kyoto Protocols so-called Clean Development Mechanism (CDM) which makes it possible to trade our emission reductions on international carbon markets, for example, through energy efficiency improvements in industry, methane recovery from landfill sites, or switching to renewable energy sources. The CDM is the market mechanism designed to assist developing

countries to stimulate the green investment required to tackle climate change and move to a low-carbon economy. The CDM, even with its current limitations, provides an effective vehicle for developing countries to participate in ongoing efforts to reduce carbon emissions, to achieve technological progress and to promote sustainable development.

There is a huge carbon market developing, and because of various barriers we are yet to take full advantage of this opportunity. In 2006 the value of this market was in the range of US\$30 billion, which represented a threefold increase compared to 2005. Project-based activities through the Clean Development Mechanism totalled nearly US\$5 billion in 2006, and the voluntary market for reductions by corporations and individuals also grew strongly to an estimated US\$100 million.

However, Africa is hardly on the radar screen. Asia continues to dominate the CDM market. China supplied some 61% of the emission reductions purchased by industrialised countries since 2002. The share of the whole of Africa is around 3%, with nearly half of that from South Africa. In terms of current projects in the CDM Executive Board's pipeline, India leads with some 600 projects, followed by China with 400 and Brazil with 200. South Africa has 9 registered projects, with another 39 in the CDM Executive Board's and South Africa's Designated National Authority's pipelines. For the Western Cape, only one project the Kuyasa Low Cost Housing Energy Efficiency Project, has been registered as a CDM project, and there are a few in the pipeline or conception stages.

Chair, there is a rapidly closing window for first commitment period of the Kyoto Protocol, which expires in 2012. Negotiations on the second commitment period have started. There are also alternative sources of demand such as the voluntary market that may have the flexibility to reward these efforts, and in particular small scale projects, regardless of the future negotiations on a Kyoto regime after 2012.

In the Kyoto regime beyond 2012 this potential may grow by orders of magnitude. If all developed countries took on much deeper emissions reduction targets, peaking by 2050 with cuts of 60 to 80%, which is what we believe is required, and if they purchased half of their

reductions in the developing world at a carbon price of at least \$10 per ton, then the financial flows could gradually grow to approximately \$100 billion per year by mid-century.

We must start now to position ourselves for this new low carbon economy. We must raise awareness from both public and private stakeholders. We must identify and remove the barriers, develop institutional capacities and technical expertise and source projects to exploit this huge opportunity. I would like to challenge the province to work with industry, local and international investors and especially local governments to unlock this potential and spur climate-friendly growth and sustainable development, before 2012, and beyond.

If the Western Cape, or a local municipality, could capture even a relatively small share of these financial flows it could provide a major boost, in combination with other sources of funding, to efforts aimed at bridging the gap between high- and low-carbon development. It could soon make all the difference when you have to choose between fossil-fuel energy and more expensive renewable energy sources. Assuming further technological progress and related cost reductions, it could make an important contribution towards unlocking our boundless solar power potential in this country.

## Water resources

Chair, over the longer term, climate change will exacerbate environmental degradation, desertification, biodiversity loss and resource scarcity. These are all sources of potential instability and conflict.

Africa is at risk from increasing water stress, especially in southern Africa. By 2020, between 75 million and 250 million people are likely to experience water shortages as a result of climate change. In combination with increased demand, this will adversely affect livelihoods, freshwater fish resources and agricultural production. In some countries, yields from rain-fed agriculture could be reduced by up to 50% by 2020.

A key challenge and opportunity in Africa is to use trans-boundary water resource management to reduce conflict potential, to enhance peacemaking by opening new avenues

for dialogue, and to promote regional integration.

Consider, for example, the fact that almost 40% of Africa's international borders are demarcated by river channels and basin watersheds, and that most major rivers traverse national boundaries. These resources are sensitive to even moderate reductions in rainfall as are predicted to occur in many places across Africa. Not only will increased scarcity of water resources threaten the sustainability of hydro-electric power generation, irrigation, agricultural production, fish stocks, food security, transport and industry, but it could also contribute to an increase in inter-communal and inter-state migrations and tensions.

Lake Tanganyika provides up to 40% of animal protein intake for the population of the surrounding countries. It is expected that climate change will reduce catches in the Lake by around 30%. Lake Victoria, which joins Uganda, Tanzania and Kenya, supports a common economy for some 30 million people who depend on its water and fish. Lowering water levels in the Lake have previously led to tensions with Uganda, who draws water into the Nile through hydro-electric turbines. This also concerns Egypt downstream, who has even placed inspectors along Uganda's stretch of the Nile.

This underlying conflict potential is exacerbated by post-colonial arrangements which are generally not conducive to mitigating conflict or competition over water resources. For example: following the declaration of the Egyptian Republic in 1953, the 1959 Nile Basin agreement preserved British colonial interests in Sudan. The agreement neglected the role of Ethiopia, Tanzania, Uganda and Rwanda in the governance of the trans-boundary Nile resources. Today Egypt and Sudan still dominate decision-making over the allocation of Nile water resources, with the bulk of the Nile's flow going to these two countries.

To understand the complexity of mitigating future conflict between riparian States, we only have to think about Jordan system, shared by Syria, Lebanon, Israel and Jordan, the Tigris-Euphrates system, shared by Syria, Turkey and Iraq, and the Indus Ganges-Brahmaputra systems, shared by India, Bangladesh, Nepal and Pakistan.

Though climate impacts on water resources may not be the primary or sole source of future conflict, it could ignite or exacerbate conflict where other political, ethnic or military tensions exist. It is therefore critical to design and strengthen regional water regimes to manage the challenges around increased water scarcity, and more specifically to appropriately govern international rivers, watersheds and underground water resources.

Fortunately the need to address water policy challenges associated with climate change is high on the agenda of the Southern African Development Community (SADC) Ministers and the African Ministers Council on Water (AMCOW). These bodies play a key role in facilitating regional and international co-operation and in co-ordinating trans-boundary water policies. This includes river and water basin governance, co-management of resources, adaptation strategies, strategic water infrastructure support, water security and the maintenance of African eco-systems. Two weeks ago climate change was one of the prominent issues addressed by African Water Ministers meeting in Brazzaville, and various approaches to enhancing African countries resilience and adaptability to the impacts of climate change were considered. The SADC Protocol, a legally binding framework for the management of shared waters in the region, the SADC Water Policy and the SADC Water Strategy, as well as the establishment of 7 river basin organisations in SADC, together represents a feather in the cap of our region.

## Conclusion

Chair, I would like to conclude by stressing that we should be flexible and proactive in our planning and continuously integrate the latest scientific findings and practical experience with our long term strategic frameworks. We must learn to expect the unexpected, and continuously ask ourselves how new evidence of climate change will impact our daily lives and how each of us can contribute to reducing emissions. Globally, in South Africa and in every community we must all do more and act with a greater sense of urgency.

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