

Applying Natural Capital Accounting at the landscape scale: some early ideas and lessons from South Africa

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NCA Policy Forum

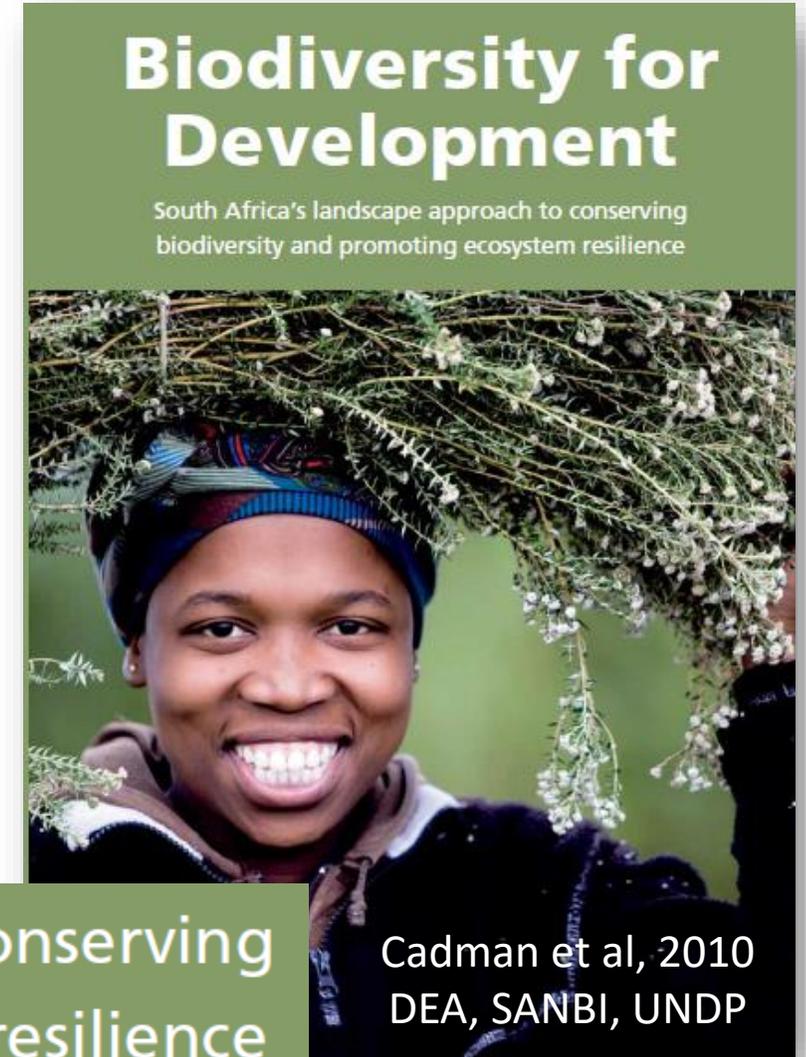
Kampala, 18 November 2019

Overview

- The landscape approach in South Africa
- Applying NCA at the catchment scale
 - Ecological Infrastructure for Water Security (EI4WS) project
 - Case study: Greater uMngeni catchment
- Five emerging lessons

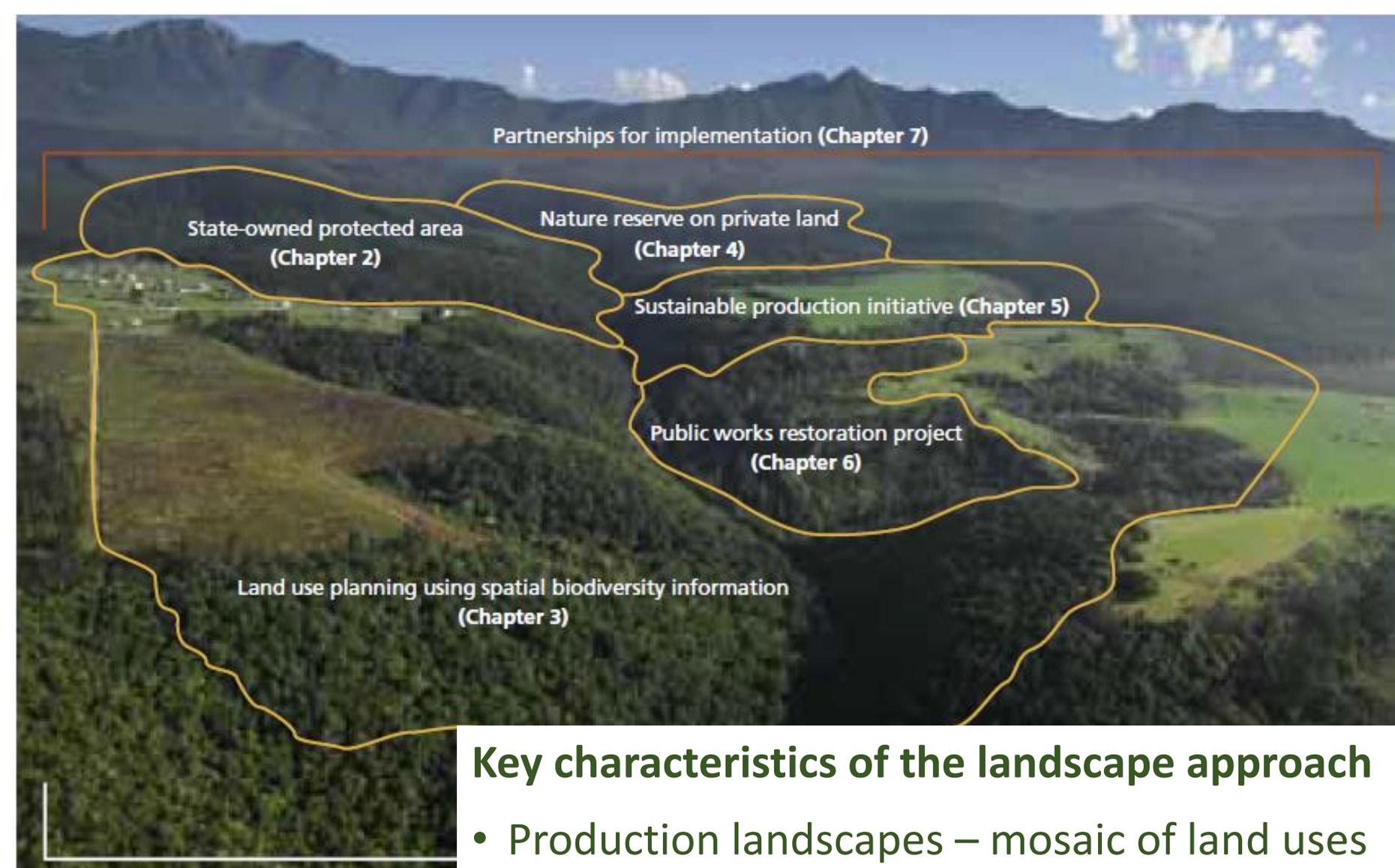
The landscape approach has a long history in SA

- Multi-partner landscape-scale initiatives since early 2000s
- Global Environment Facility (GEF) funding has played a key role
 - CAPE (GEF 3), Grasslands Programme (GEF 4), Biodiversity & Land Use Project (GEF 5)
 - All have included landscape or catchment initiatives in some form
- Approach captured in *Biodiversity for Development* book



South Africa's landscape approach to conserving biodiversity and promoting ecosystem resilience

Cadman et al, 2010
DEA, SANBI, UNDP





ECOLOGICAL INFRASTRUCTURE FOR
WATER SECURITY

Unlocking development finance to secure ecological infrastructure for water security in critical water catchments



GEF 6

Ecological Infrastructure for Water Security (EI4WS) project (2018 – 2022)

- Includes a component on **natural capital accounting**
- Includes work in two **demonstration catchments**



Environmental Affairs
Science and Technology
Water and Sanitation

SANBI

Biodiversity for Life

South African National Biodiversity Institute



STATS SA
STATISTICS SOUTH AFRICA



What is ecological infrastructure?

- **Naturally functioning ecosystems** that deliver valuable services to people
 - Narrower concept than “green infrastructure”
- Nature’s equivalent of built infrastructure
- Focus is on the **underlying asset**
- **Several services** can flow from one piece of ecological infrastructure



ECOLOGICAL INFRASTRUCTURE

NATURE DELIVERING SERVICES

WHAT IS ECOLOGICAL INFRASTRUCTURE?

Ecological infrastructure refers to **functioning ecosystems that deliver valuable services to people**, such as fresh water, climate regulation, soil formation and disaster risk reduction. It is the nature-based equivalent of built or hard infrastructure, and is just as important for providing services and underpinning socio-economic development.

Ecological infrastructure includes, for instance, healthy mountain catchments, rivers, wetlands, coastal dunes, and nodes and corridors of natural habitat, which together form a network of interconnected structural elements in the landscape.

ECOLOGICAL INFRASTRUCTURE IS A PUBLIC GOOD

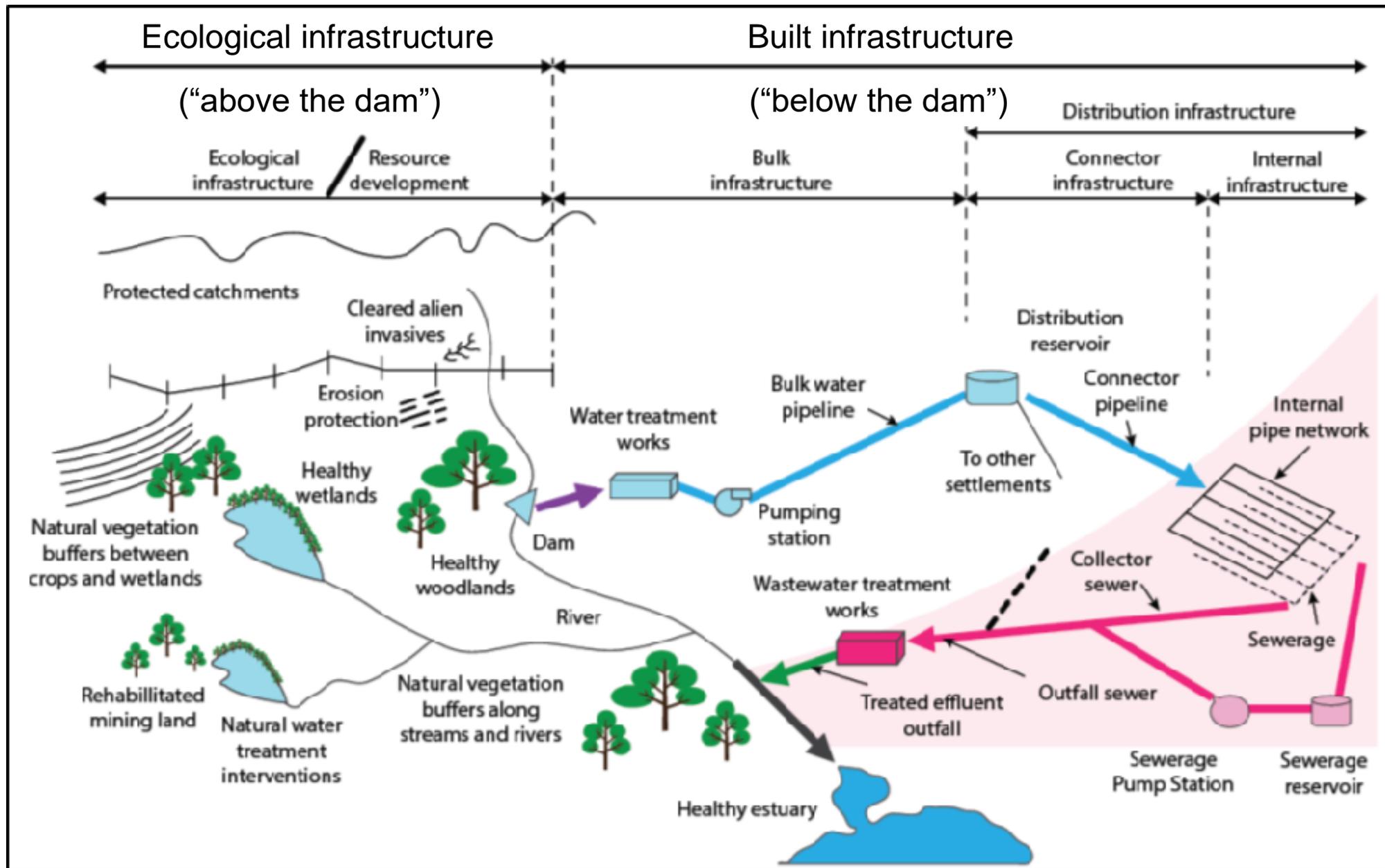
South Africa has **abundant ecological infrastructure**, providing opportunities to **support development** and unlock economic potential. Because ecological infrastructure is **largely free**, its value is seldom captured in market transactions and **we tend to under-invest in it**.

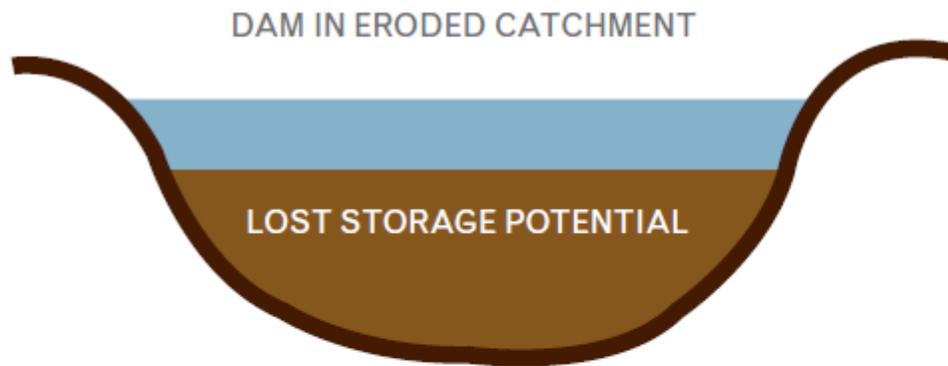
Like other public goods (such as education, health or street lights), investing in ecological infrastructure has positive spill over effects. And as with other public goods, the **public sector has a central role to play** in ensuring optimal investment in ecological infrastructure.

Biodiversity is the variety of species and ecosystems and the interactions between them. It is South Africa's extraordinary diversity of life that provides a foundation for economic growth (jobs), social development (service delivery), and human well-being (a better life).

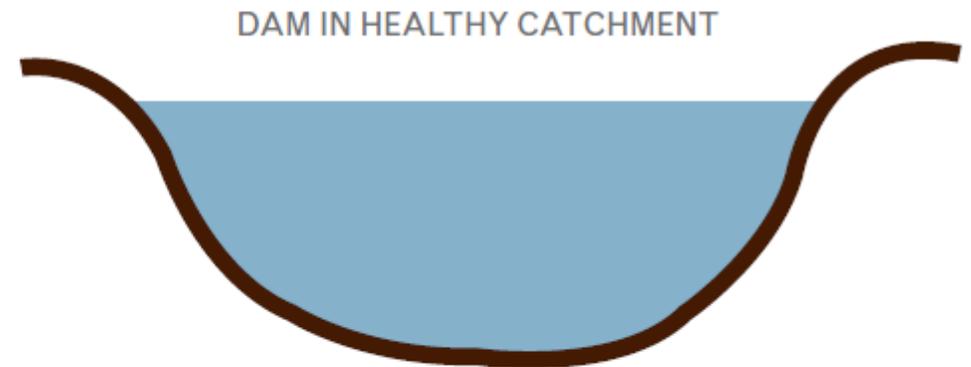


Ecological infrastructure supports and enhances built infrastructure





Degraded ecological infrastructure
leads to reduced capacity and
lifespan of dams, and increased
maintenance costs



Healthy ecological infrastructure
such as intact rivers, wetlands and
natural vegetation enhances
investment in built infrastructure

The concept of ecological infrastructure has gained a lot of policy traction in South Africa

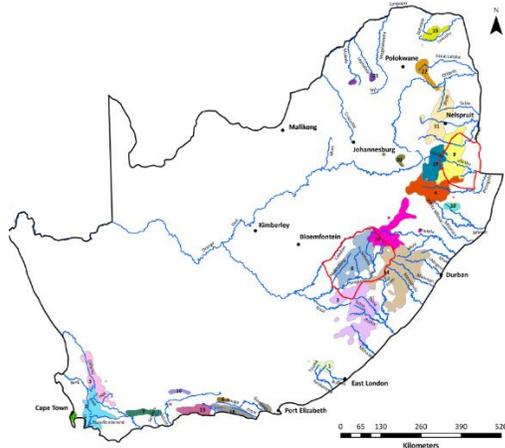


Investing in ecological infrastructure is a **cost effective development strategy** that can **deliver multiple benefits**, including water security, food security, disaster risk reduction, climate change adaptation, job creation, rural development

Accounts to be produced in Ecological Infrastructure for Water Security (EI4WS) project

National

Accounts for **Strategic Water Source Areas** – the 10% of land that delivers 50% of water



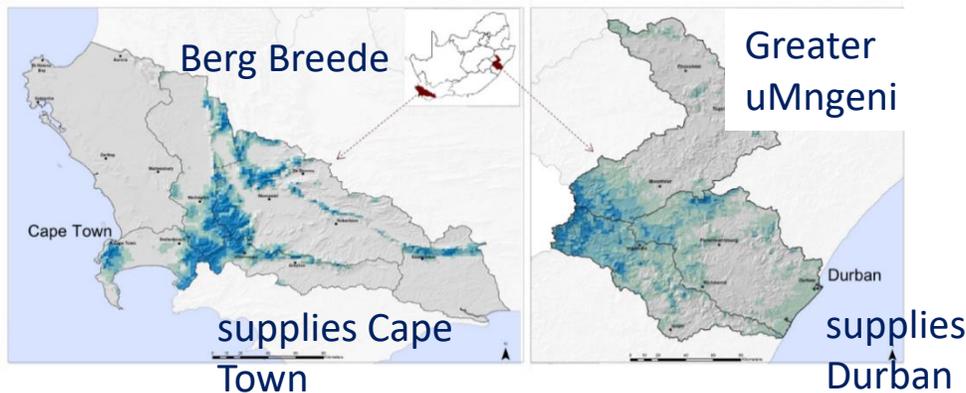
Specifically aimed to support policy and decision making throughout the **water value chain**

→ Accounts can enable analysis of **return on investment** in water-related ecological infrastructure

Sub-national

Demo catchments:

- Catchment-level **water resource** accounts
- Accounts for **ecological infrastructure assets**

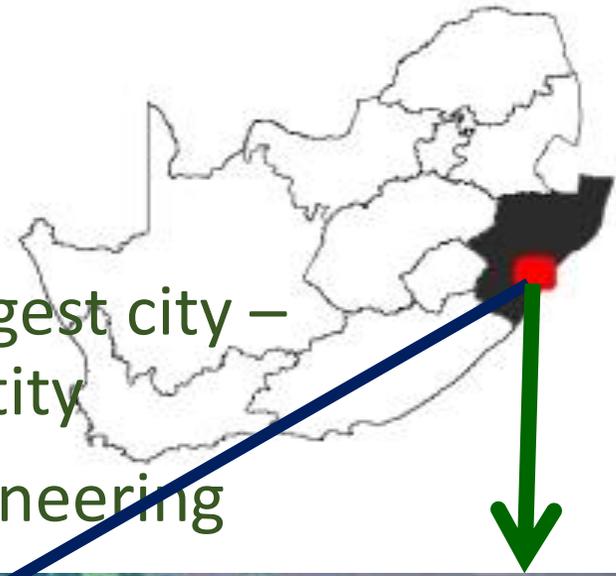


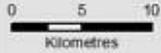
Environmental Affairs
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uMngeni catchment

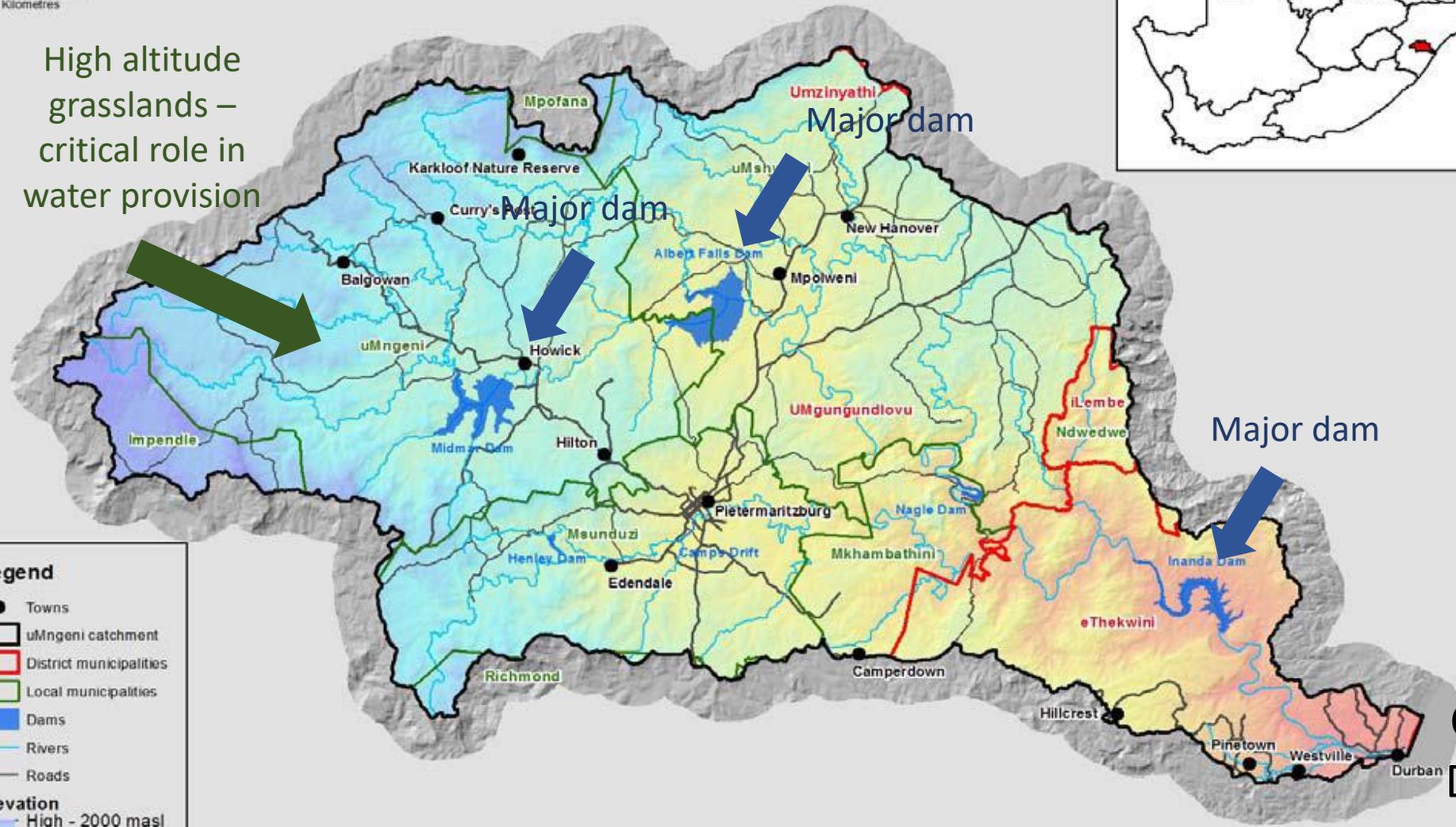
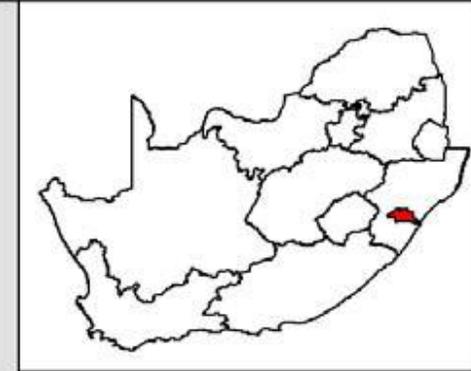
- Supplies water to city of Durban: SA's 3rd largest city – major challenges with water quality & quantity
- Engineers have run out of conventional engineering solutions





uMngeni River catchment

High altitude grasslands – critical role in water provision



Legend

- Towns
- ▭ uMngeni catchment
- ▭ District municipalities
- ▭ Local municipalities
- Dams
- Rivers
- Roads

Elevation

- High - 2000 masl
- Low - 0 masl

City of Durban

Irrigated croplands



Mining



Peri-urban sprawl

**Timber plantations and
invasive alien plants**



Degraded grasslands





uMngeni Ecological Infrastructure Partnership (UEIP)

- Formed in 2013
 - More than 20 signatories, including Durban Metro, Umgeni Water, local municipalities, private companies (especially forestry), depts of water and agriculture, conservation authorities, SANBI, NGOs
- Focus on water security for Durban through investing in maintaining and restoring ecological infrastructure in greater uMngeni catchment
- Including through strengthening institutional arrangements and knowledge
- Many co-benefits (e.g. disaster risk reduction, climate change adaptation)

How is NCA being applied in the uMngeni catchment?

- A step back up to NCA work at the national level....

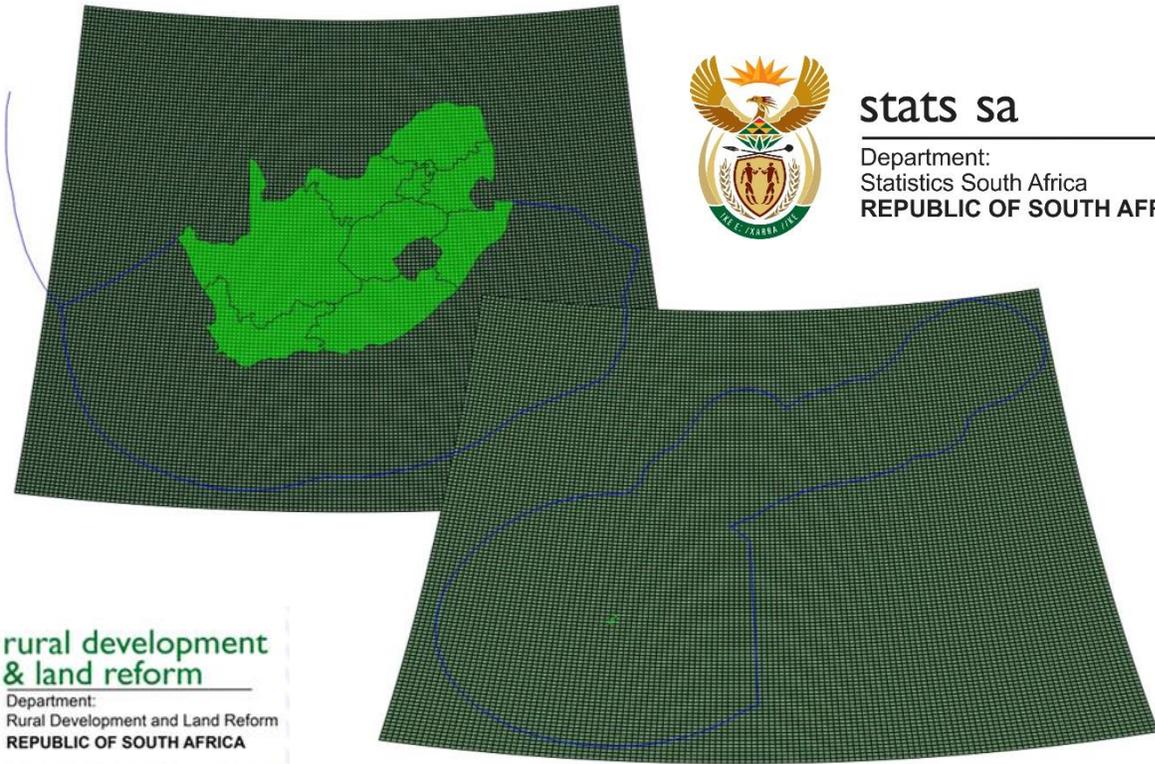
Natural Capital Accounting & Valuation of Ecosystem Services (NCA&VES) project



Five pilot countries: Brazil, China, India, Mexico, South Africa

Newly in place: Basic Spatial Unit for NCA

BSU 1 (728 million 1 ha cells):
South Africa + EEZ + Transboundary basins



stats sa

Department:
Statistics South Africa
REPUBLIC OF SOUTH AFRICA



rural development
& land reform

Department:
Rural Development and Land Reform
REPUBLIC OF SOUTH AFRICA

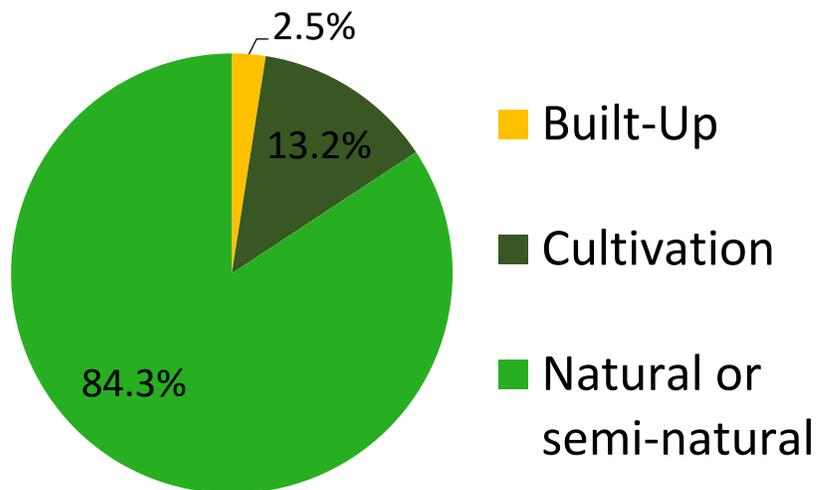
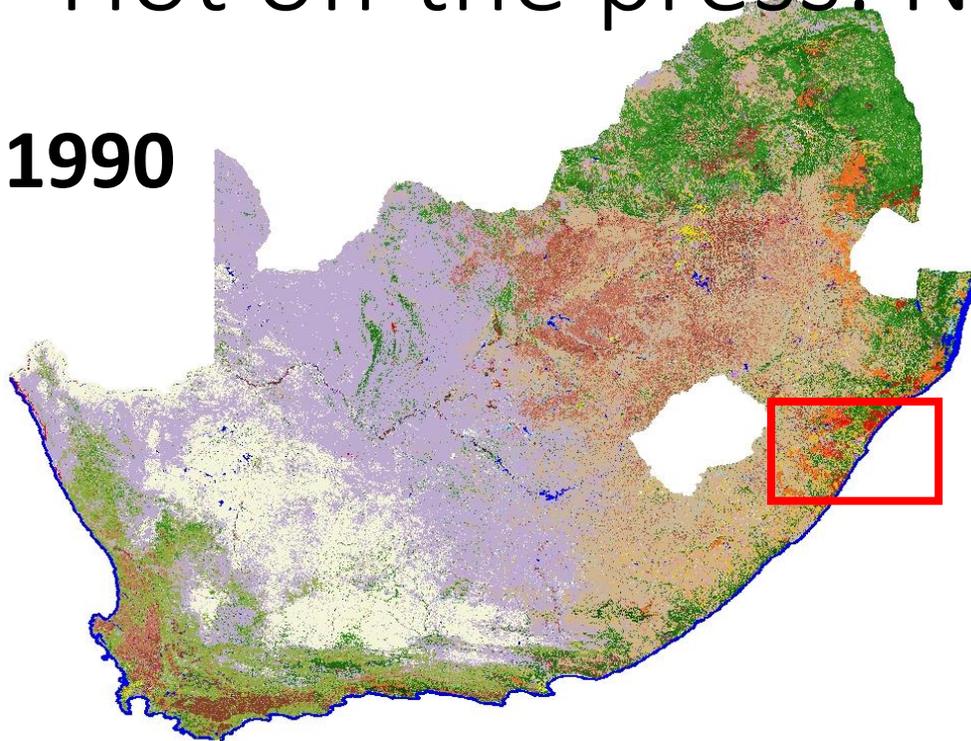


BSU 2 (624 million 1 ha cells):
South Africa's Prince Edward Islands + EEZ

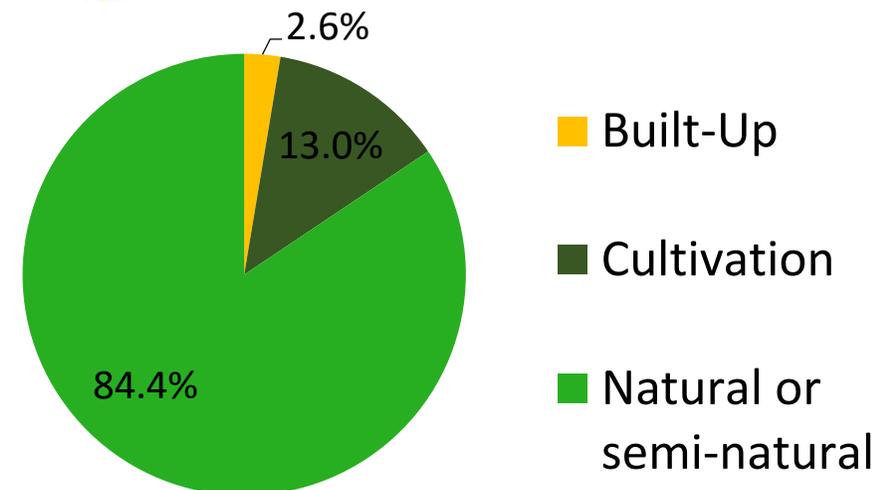
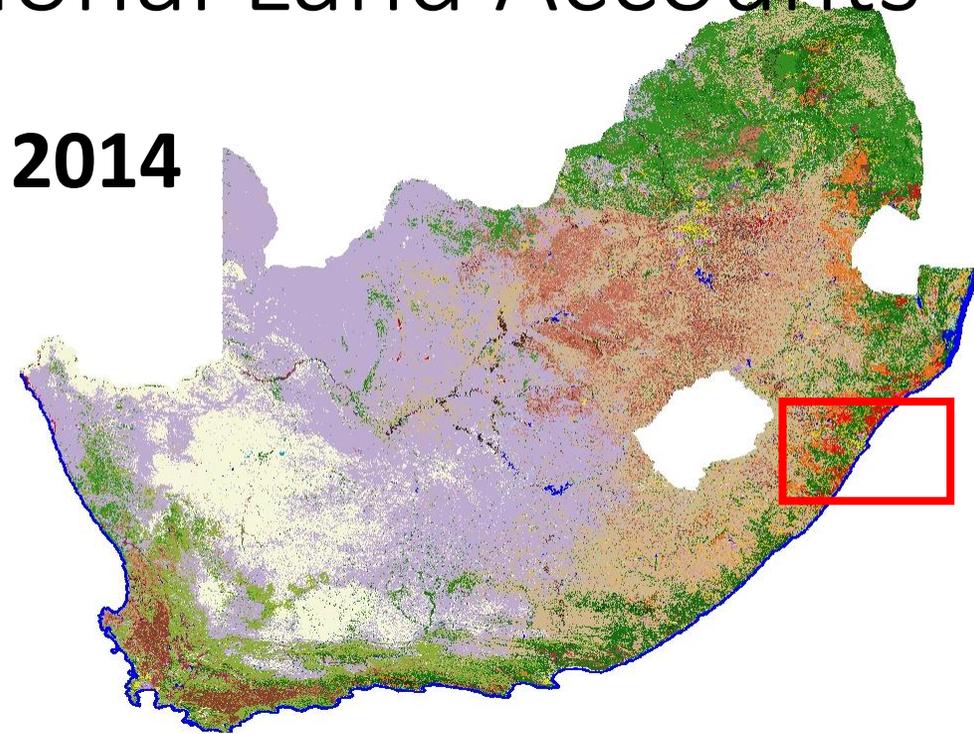
- Finalised June 2019
- 1 hectare grid
- Covers entire SA territory and EEZ
- Fixed point of origin, registered projection
- Any ecological, social or economic dataset can be linked to this grid
- Formal process for Stats SA custodianship as a strategic national dataset underway

Hot off the press: National Land Accounts

1990



2014



National Land Cover datasets for 1990 and 2014:

72 classes

30m, resampled to 100m BSU

Row	Color	Class_Names
0		
1		Water seasonal
2		Water permanent
3		Wetlands
4		Indigenous Forest
5		Thicket /Dense bush
6		Woodlan/Open bush
7		Grassland
8		Shrubland fynbos
9		Low shrubland
10		Cultivated comm fields (high)
11		Cultivated comm fields (med)
12		Cultivated comm fields (low)
13		Cultivated comm pivots (high)
14		Cultivated comm pivots (med)
15		Cultivated comm pivots (low)
16		Cultivated orchards (high)
17		Cultivated orchards (med)
18		Cultivated orchards (low)
19		Cultivated vines (high)
20		Cultivated vines (med)
21		Cultivated vines (low)
22		Cultivated permanent pineapple
23		Cultivated subsistence (high)
24		Cultivated subsistence (med)
25		Cultivated subsistence (low)

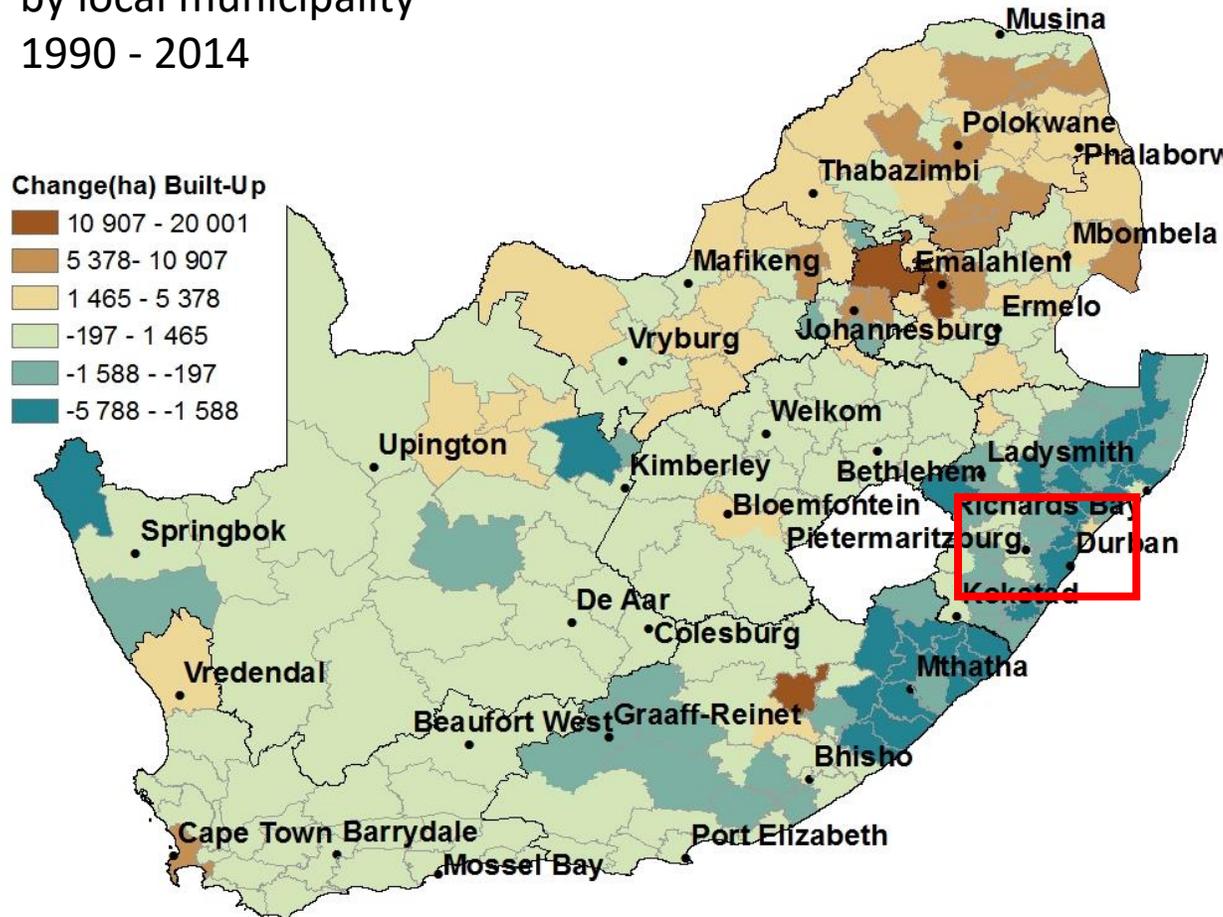
26		Cultivated cane pivot - crop
27		Cultivated cane pivot - fallow
28		Cultivated cane commercial - crop
29		Cultivated cane commercial - fallow
30		Cultivated cane emerging - crop
31		Cultivated cane emerging - fallow
32		Plantations / Woodlots mature
33		Plantation / Woodlots young
34		Plantation / Woodlots clearfelled
35		Mines 1 bare
36		Mines 2 semi-bare
37		Mines water seasonal
38		Mines water permanent
39		Mine buildings
40		Erosion (donga)
41		Bare none vegetated
42		Urban commercial
43		Urban industrial
44		Urban informal (dense trees / bush)
45		Urban informal (open trees / bush)
46		Urban informal (low veg / grass)
47		Urban informal (bare)
48		Urban residential (dense trees / bush)
49		Urban residential (open trees / bush)
50		Urban residential (low veg / grass)
51		Urban residential (bare)
52		Urban school and sports ground

53		Urban smallholding (dense trees / bush)
54		Urban smallholding (open trees / bush)
55		Urban smallholding (low veg / grass)
56		Urban smallholding (bare)
57		Urban sports and golf (dense tree / bush)
58		Urban sports and golf (open tree / bush)
59		Urban sports and golf (low veg / grass)
60		Urban sports and golf (bare)
61		Urban township (dense trees / bush)
62		Urban township (open trees / bush)
63		Urban township (low veg / grass)
64		Urban township (bare)
65		Urban village (dense trees / bush)
66		Urban village (open trees / bush)
67		Urban village (low veg / grass)
68		Urban village (bare)
69		Urban built-up (dense trees / bush)
70		Urban built-up (open trees / bush)
71		Urban built-up (low veg / grass)
72		Urban built-up (bare)

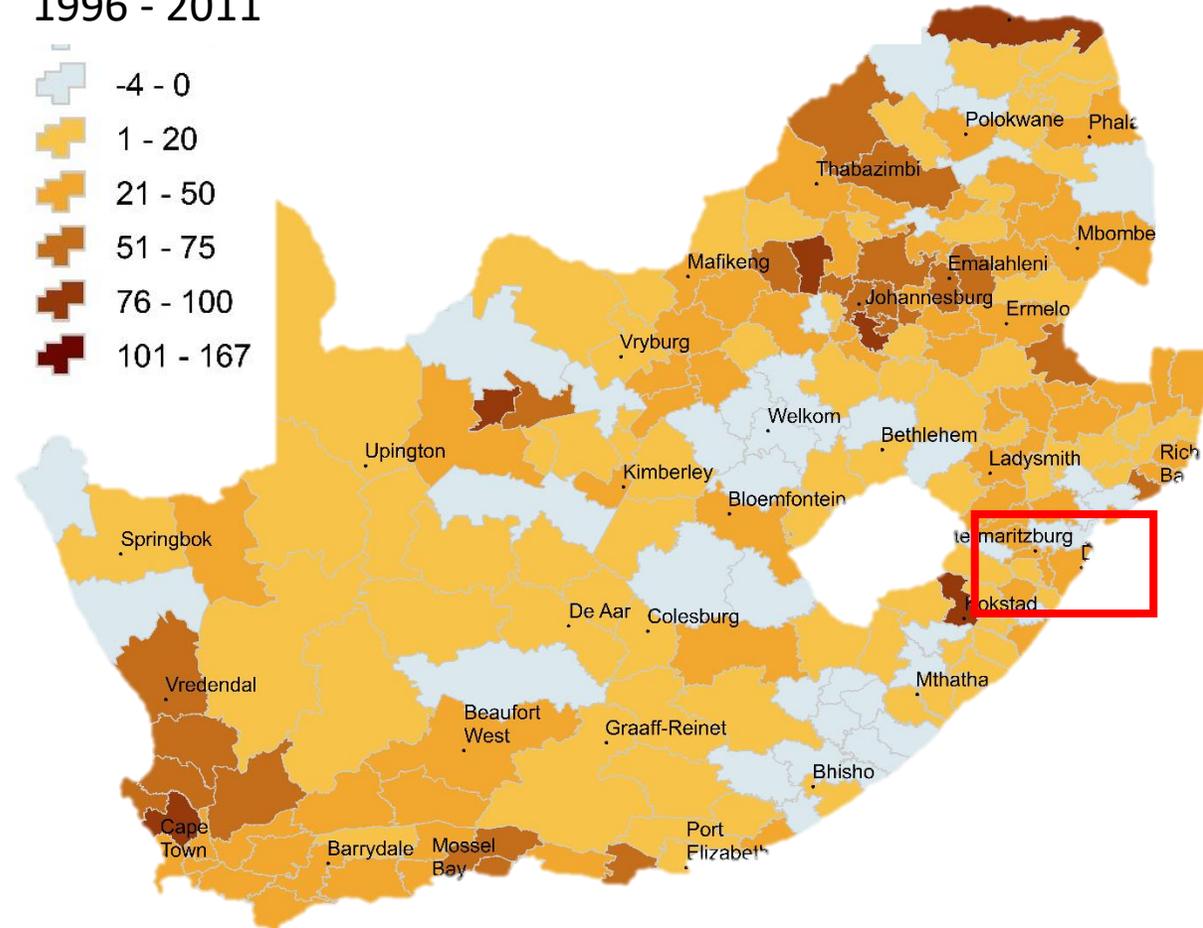
How does land cover change relate to changes in population?

Census data also being linked to BSU layer to enable analysis

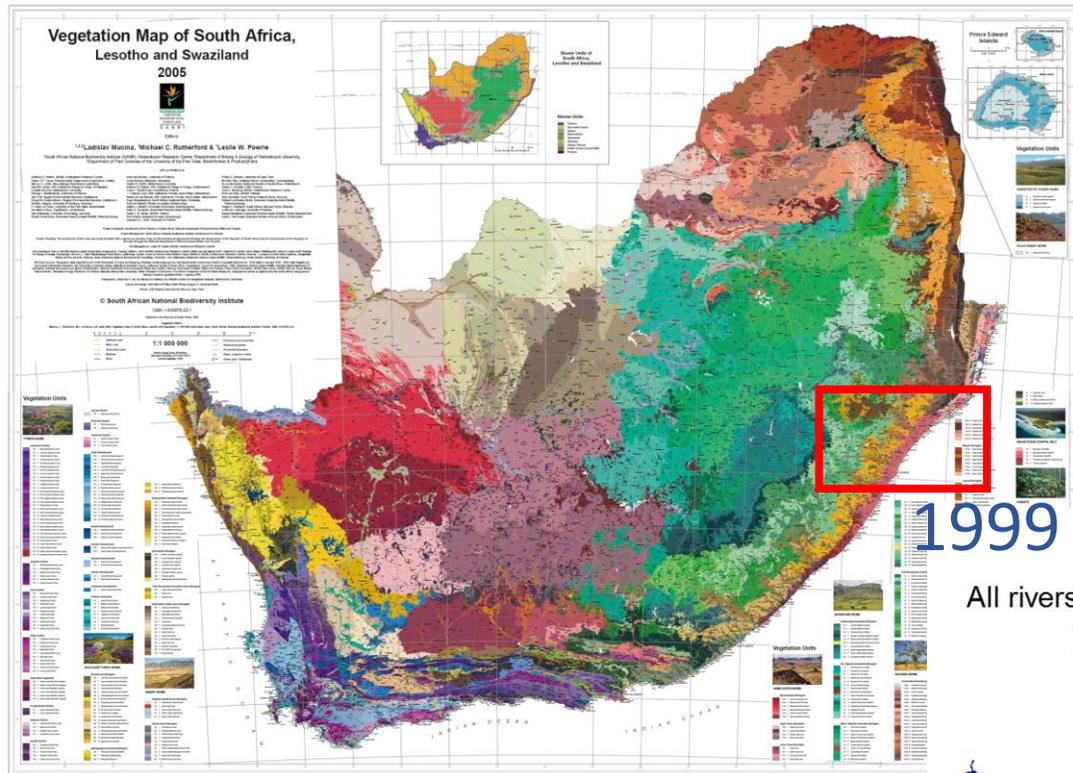
Change in built-up area (ha)
by local municipality
1990 - 2014



% change in population by local municipality
1996 - 2011



National ecosystem asset accounts: extent and condition

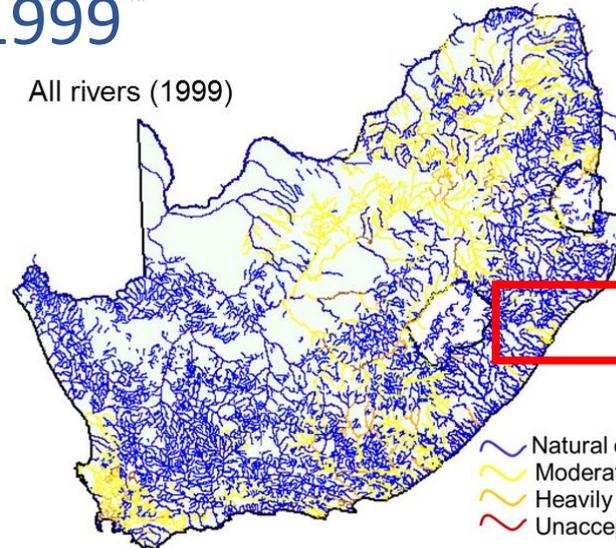


For terrestrial ecosystems
(vegetation types)

For river ecosystems
(quaternary river reaches)

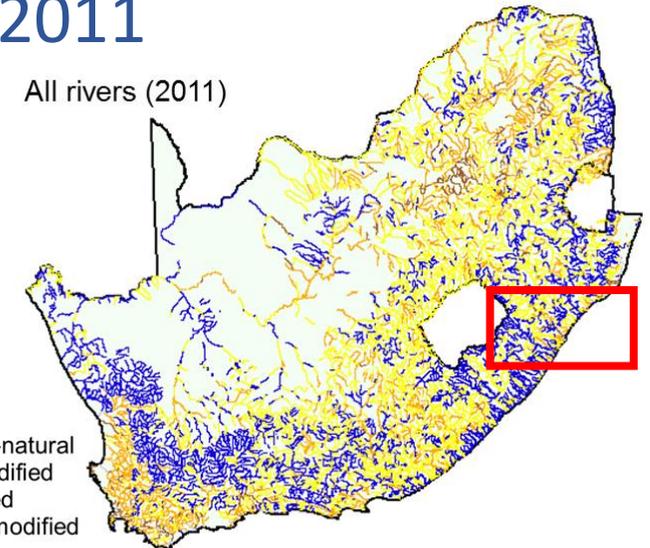
1999

All rivers (1999)



2011

All rivers (2011)



- Natural or near-natural
- Moderately modified
- Heavily modified
- Unacceptably modified

NCA&VES project: Pilot ecosystem service accounts for KZN province



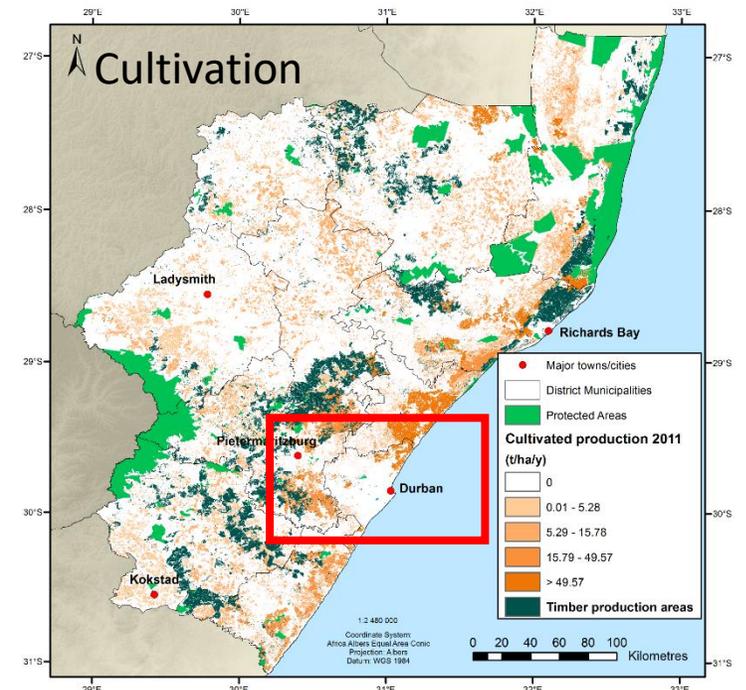
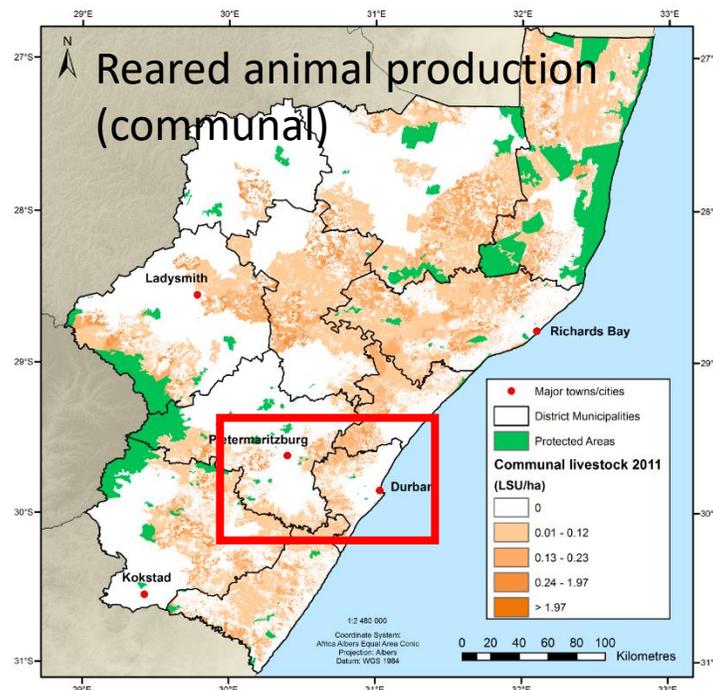
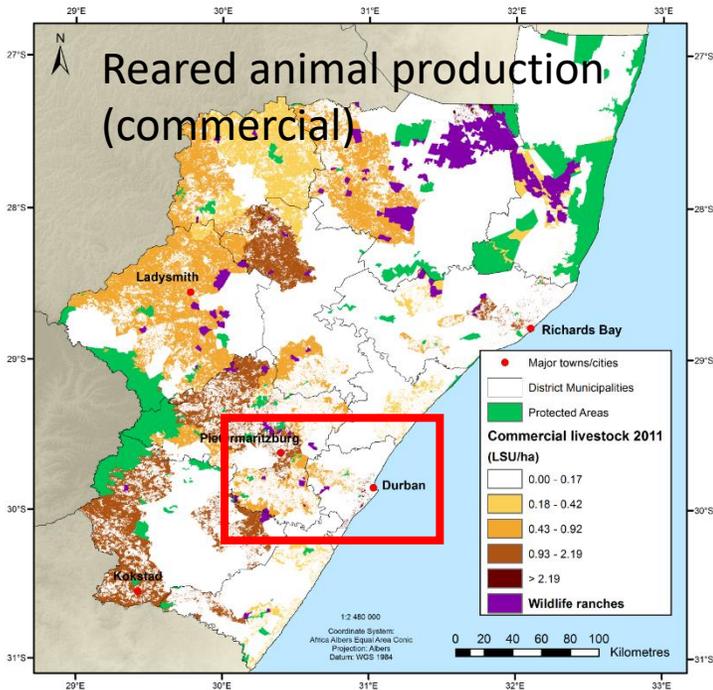
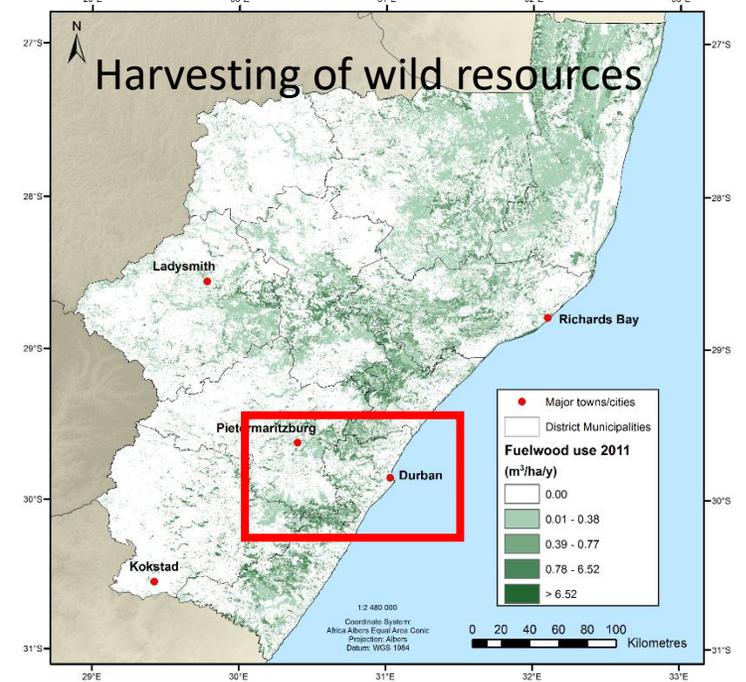
Broad category	Ecosystem service
Provisioning services	Harvested wild biomass
	Reared animal production
	Cultivated production
Cultural services	Experiential value associated with active or passive use
Regulating services	Sediment retention
	Water quality amelioration
	Seasonal flow regulation
	Carbon sequestration



NCA&VES project: Pilot ecosystem service accounts for KZN province (physical and monetary)

Some initial results...

Led by Jane Turpie



Water resource accounting outputs

Resource base sheet

Resource Base Sheet: U2 (4456.256 km²) for 2017-10 to 2018-09

Units = x 10³ m³

Q_{In Transfers} 108079.4 3.1 %	Q_{In OW} 0.0 0.0 %	Q_{In SW} 0.0 0.0 %	Precipitation 3629672.9 815 mm 102.5 %
ΔS_{OW} -8182.9 -2 mm -0.2 %	ΔS_{SW} -165330.6 -37 mm -4.7 %	Gross Inflow 3737752.3 105.5 %	
Net Inflow 3541495.0 100.0 %			
Exploitable Water 546592.7 15.5 %		Landscape ET 2992902.2 672 mm 84.5 %	
Available Water 377961.5 10.7 %		<ul style="list-style-type: none"> - Natural 1388118.8 - Cultivated 1078881.1 - Urban 397744.7 - Mining 1059.0 - Waterbodies 127098.7 	
Utilized Flow 58282.1 1.6 %		<ul style="list-style-type: none"> - Natural 0.0 - Cultivated 5259.7 - Urban 53022.4 - Mining 0.0 - Waterbodies 0.0 	
Incremental ET 58282.1 13 mm 1.6 %		<ul style="list-style-type: none"> - Natural 0.0 - Cultivated 5259.7 - Urban 53022.4 - Mining 0.0 - Waterbodies 0.0 	
Non-recoverable Flow 0.0 0.0 %		<ul style="list-style-type: none"> - Natural 0.0 - Cultivated 5259.7 - Urban 53022.4 - Mining 0.0 - Waterbodies 0.0 	
Utilizable Outflow 319679.5 9.0 %		Consumed Water 3051184.3 86.2 %	
Reserved Outflow 170631.2 4.8 %		Total Evaporation (ET) 3051184.3 685 mm 86.2 %	
Q_{Out Transfers} 170631.2 4.8 %	Q_{Out OW} 0.0 0.0 %	Q_{Out SW} 319679.5 9.0 %	Open Water Evaporation 95735.0 21 mm 2.7 % Soil Water Evaporation 730380.6 164 mm 20.6 % Transpiration 1558538.4 350 mm 44.0 % Interception 666530.4 150 mm 18.8 %
Outflow 490310.7 13.8 %			

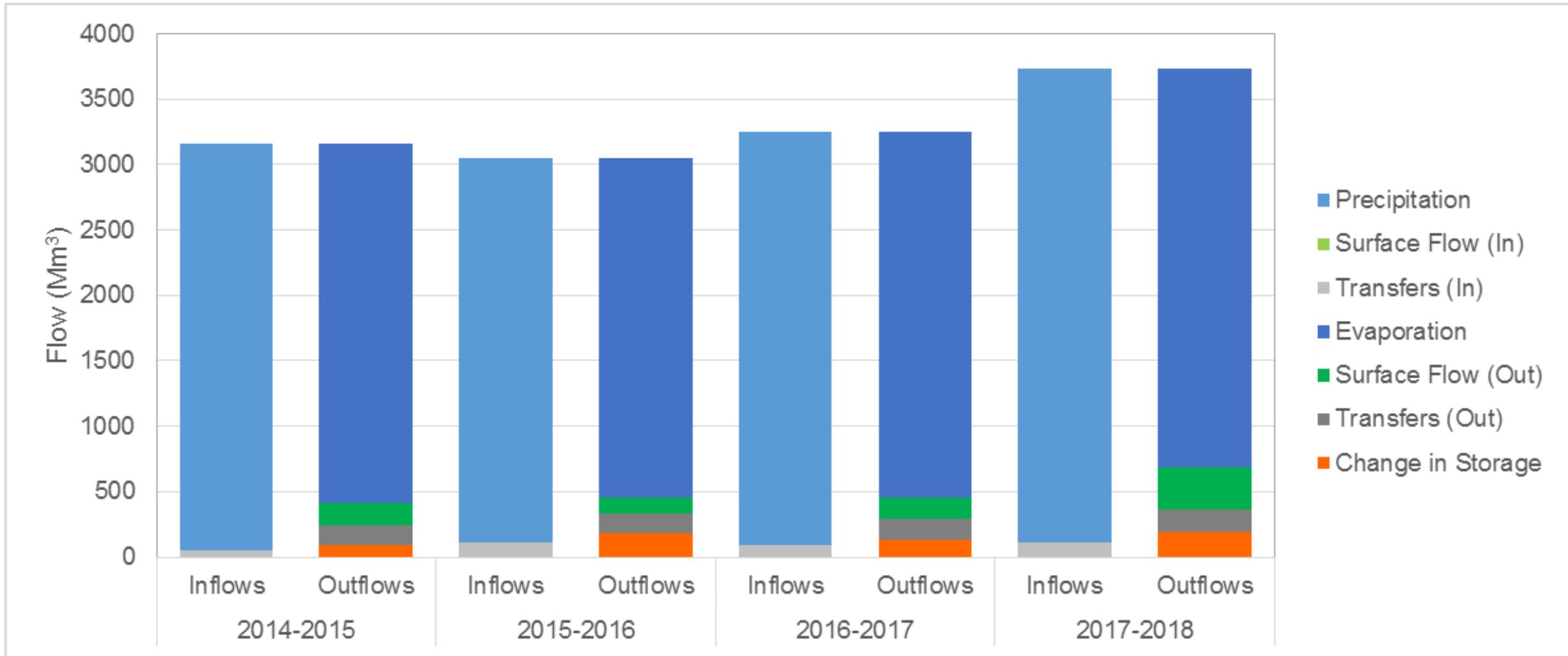
Utilised flows sheet

Utilized Flows Sheet: uMngeni for 2017-10 to 2018-09

Units = x 10³ m³

Gross Withdrawal 139100.0 100.0 %	Surface Water 139100.0 100.0 %	Natural 0.0 0.0 %	Returned 0.0 0.0 %	Total Consumed 50774.7 36.5 %	
		Cultivated 5260.4 3.8 %	Consumed 4165.5 79.2 %		
Groundwater 0.0 0.0 %	Urban 133830.2 96.2 %	Mining 0.0 0.0 %	Returned 15.13 0.3 %	Total Returned 80803.8 58.1 %	
			Consumed 46599.9 34.8 %		
Transfers 0.0 0.0 %	Waterbodies 9.3 0.0 %	Hydropower 0.0 0.0 %	Returned 80788.7 60.4 %	Surface Water 80726.9 99.9 %	
			Consumed 0.0 0.0 %		
		Groundwater 76.9 0.1 %		Transfers 0.0 0.0 %	

Time series water resource accounts: Example for the uMngeni catchment



Maps of water-related ecological infrastructure

including Strategic Water Source Areas, rivers and riparian zones, wetlands with high potential for specific ES

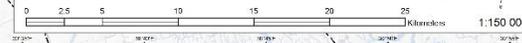
Ecological Infrastructure

- Key Ecological Infrastructure (Natural)
- Additional Ecological Infrastructure (Natural)
- Key Ecological Infrastructure (Degraded)
- Additional Ecological Infrastructure (Degraded)
- Transformed Ecological Infrastructure

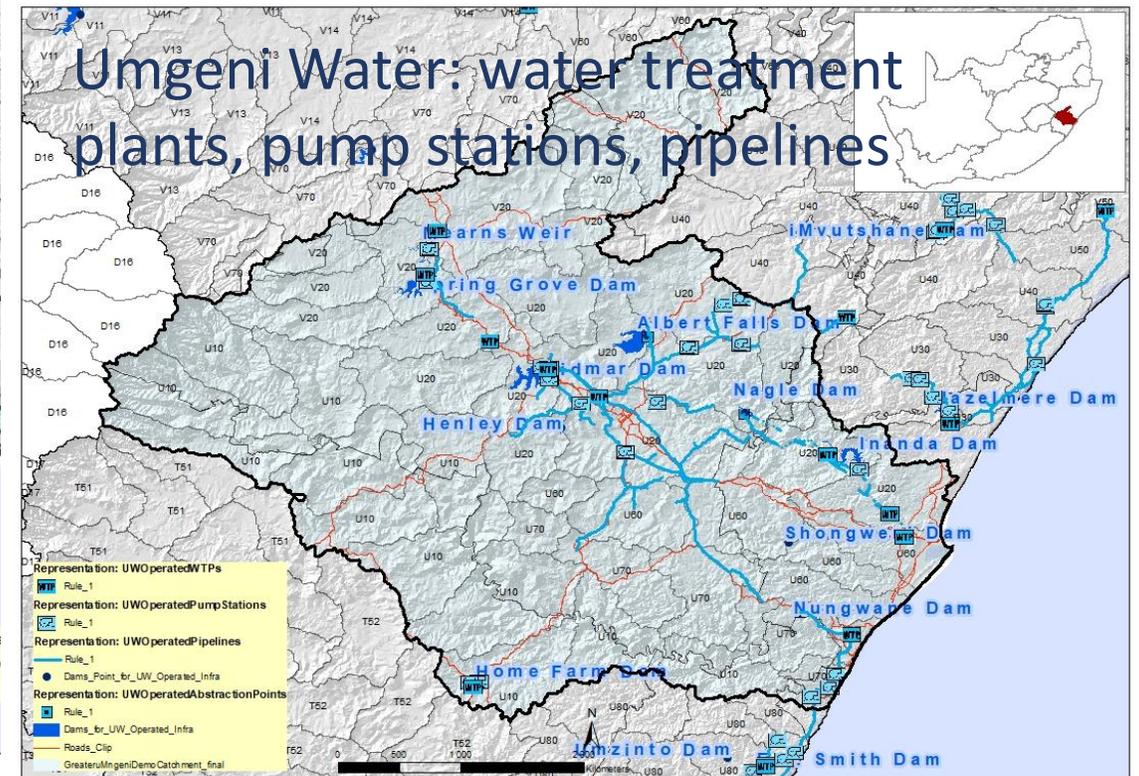
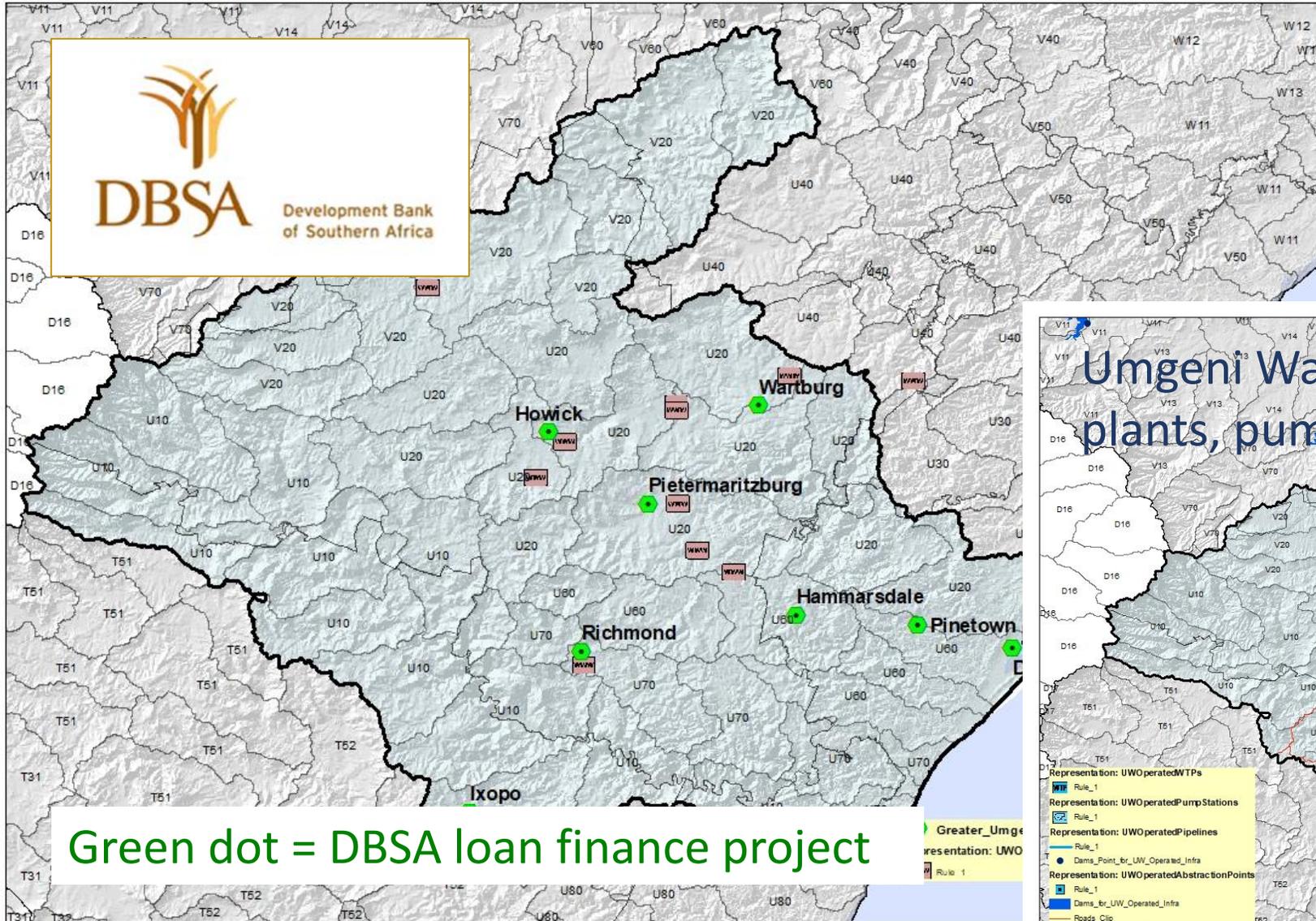
Ecological Infrastructure Supporting eThekweni Water Supply

- Key Ecological Infrastructure (Natural)
- Additional Ecological Infrastructure (Natural)
- Key Ecological Infrastructure (Degraded)
- Additional Ecological Infrastructure (Degraded)
- Transformed Ecological Infrastructure
- Rivers (>500 000)
- National Route
- Arterial Route
- Main Road
- Secondary Road
- Quaternary Catchments
- Towers
- Protected Area
- Large Dams

Analysis: Dr Stephen Holmes; GIS: Andrew Skovinc; Date: February 2013
Data sources: Wetlands: Steyn, NERPA & Buijse and Blagberg; Rural
CSIR/ProEcoSyst; Wetland ecosystem service classification - Kotze et al 2005;
Quaternary - DMFF; Streams (with -ARC; Landcover: Ecomvelo KZN Wildlife;
Projections: Transvaal Mapper 30, WCS&C



Gathering spatial data on built infrastructure investments



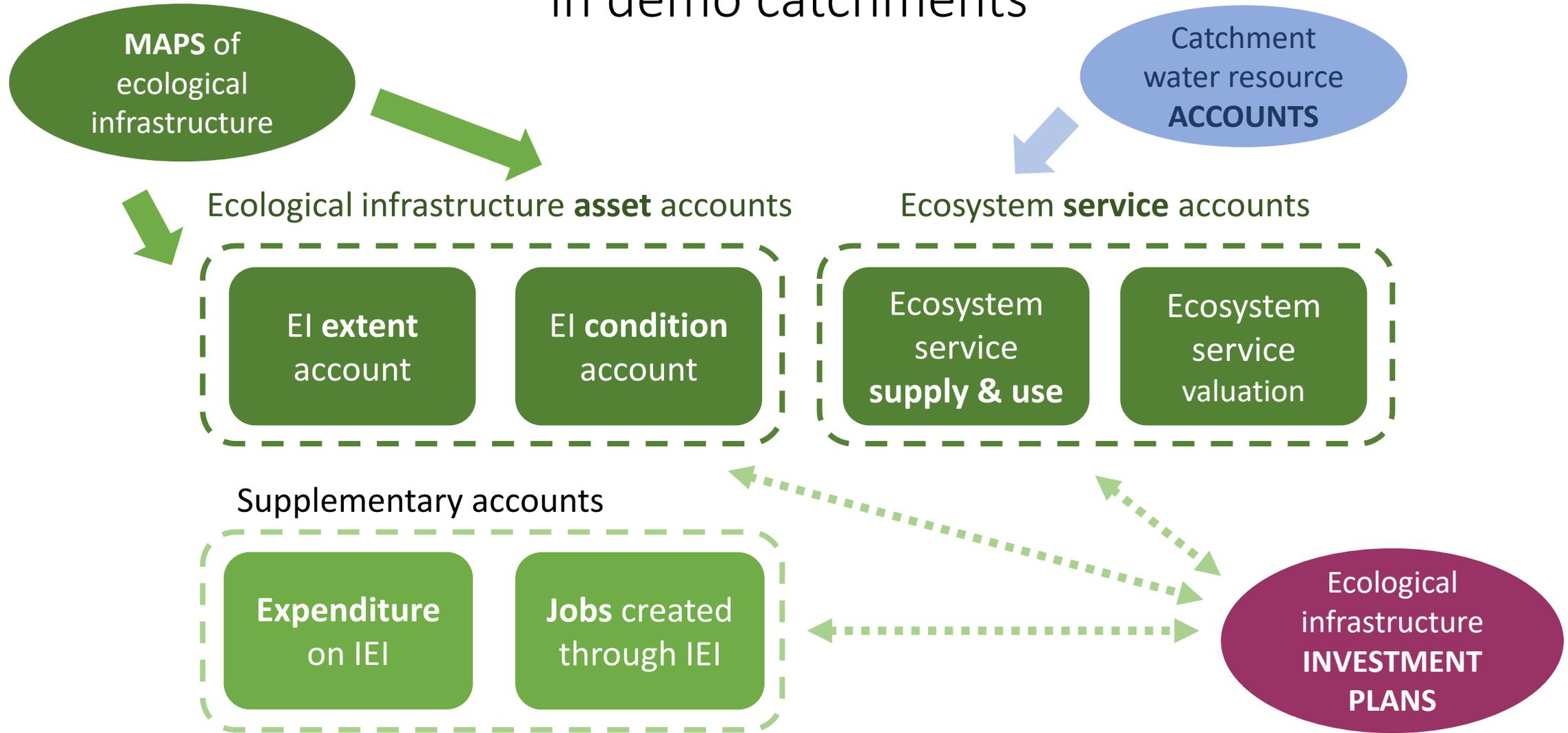
Green dot = DBSA loan finance project

Umgeni Water: water treatment plants, pump stations, pipelines

What next?

- The challenge is not lack of data or even lack of natural capital accounts
 - The challenge is to synthesise the various accounts and interpret them to create meaningful products for end users
- We are using “accounting for ecological infrastructure” at the catchment scale as an organising framework to bring together:
- National land accounts
 - National ecosystem asset accounts
 - Provincial ecosystem service accounts
 - Catchment-level water resource accounts
 - Social and economic data
- for application at the landscape level

Accounting for ecological infrastructure in demo catchments



Many envisaged **uses and users** of accounts for ecological infrastructure...

Examples of uses

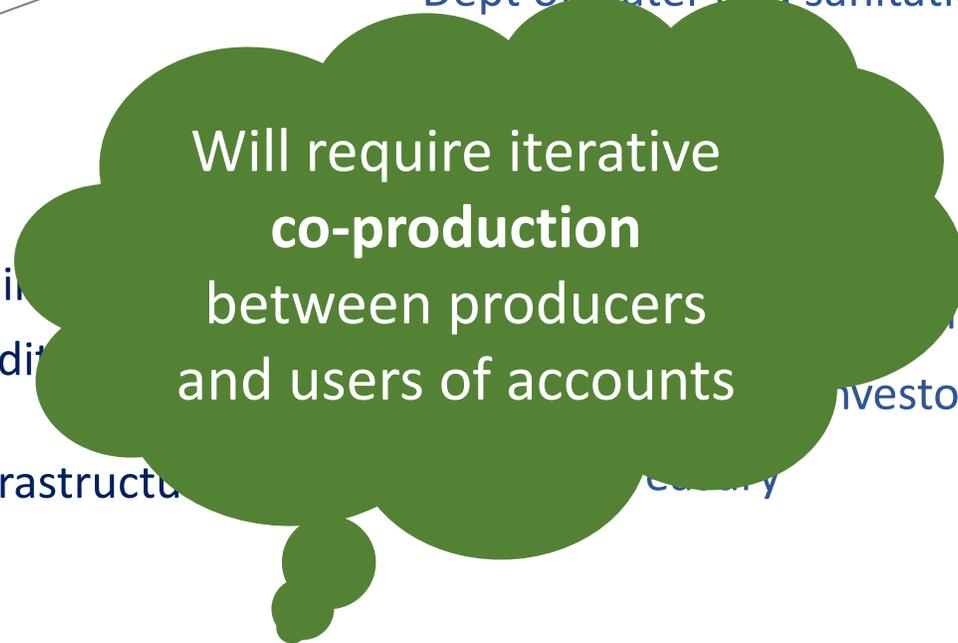
- Inform **Catchment Management Strategy**
- **Prioritise interventions to maintain and restore** ecosystems (e.g. wetland rehab, removing invasive species)
- Inform **farming practices** and agricultural programmes
- Inform **water use authorisation** programmes
- Inform **land-use planning**
- Inform **urban expansion**
- Inform **project appraisal** for built infrastructure in catchments
- **M&E** e.g. of restoration efforts, including expenditure and socio-economic co-benefits such as jobs
- Calculate **return on investment** in ecological infrastructure
- Influence **municipal grant finance**

Examples of users

- Catchment Management Agency
- public works programmes
- Dept of agriculture
- Dept of water and sanitation

What products will work best for these uses and users?

Will require iterative **co-production** between producers and users of accounts



Five emerging lessons

1. Don't get stuck in the boundary trap

- Accounts don't necessarily have to produced at the landscape scale to be used at the landscape scale
- Accounts from a range of geographic levels (from national down) can be analysed and packaged for application at the landscape scale

2. Get your national BSU layer in place!

Five emerging lessons

3. Need iterative co-production of accounting outputs/interpreted products for application by managers and practitioners
 - Watch this space....
4. NSOs are not in the business of engaging with stakeholders at the landscape scale
 - Need **boundary organisations** at the accounts-policy-practice interface
5. Ecological infrastructure can be a useful organising concept/frame for bringing together stakeholders AND for bringing together various accounts
 - Including linking ecosystem accounting to socio-economic info at the landscape level