



### The nexus goes beyond footprints

#### Interconnected & Interdependent...

- Electricity interruptions and rising prices now exacerbated by catastrophic drought
- Little arable land and dependent on oil imports bought with a devaluing currency, testing
- resource limits
- The role of strategic reserves and security of supply in social stability

#### ...at the household level:

- Discriminatory resource access
- · Compounded poverty & additional challenge of addressing historic imbalances

#### ...at the landscape level:

- Natural resources not evenly distribute
- Richest sources overlap geographically
- 750 000 hectares of rich biodiversity, agriculture and source of major inland rivers in the NE potentially at risk from coal mining

#### A holistic approach will deliver...

Security for all (water, food, energy, human)

Equitable & sustainable growth

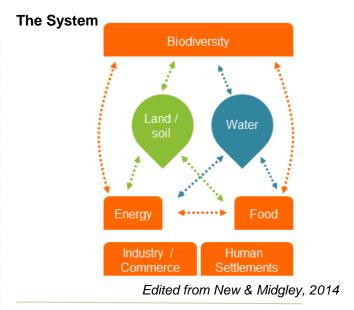
> Resilient & **Productive** environment

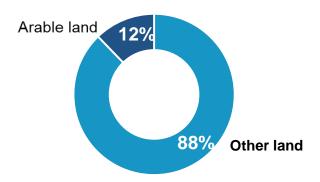


# The nexus in SA Food and agriculture

### Jobs, food security and social unrest

- High levels of income inequality, unemployment and significant household food insecurity
- Agricultural sector as a jobs creator and a key to addressing pervasive resource access inequities
- Ag uses 3% of total electricity, consumption has risen 3% p/a, and around two thirds of water resource
- Shifting dietary preferences and increased waste; from improved economic conditions and urbanisation
- Coal deposits in SA coincide with the best agricultural land. Several coal reserves overlap with areas of highest rainfall and major inland rivers. Trend Unidirectional conversion of productive land





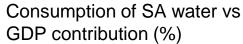


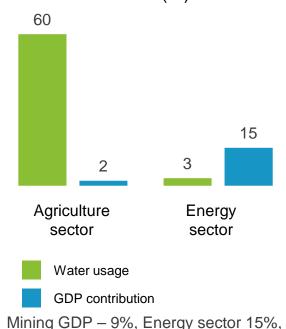
# The nexus in SA In agricultural policy making?

### Risks include lost jobs and reduced food security

- The National Development Plan and Industrial Policy Action Plan, calls for a substantial increase in ag activity without explicitly acknowledging the concurrent burden on the water system
- The National Water Resources Strategy, little additional allocation for ag and what savings can be achieved are earmarked for other uses
- No policy measures for managing the cost of energy on farms, RE focused on the grid not farm applications.
- The objective of job creation also sets hurdles for instance the **Environmental Impact Assessment** ... projects claim to be justifiable based on employment creation.

## Water demand: best allocated where?





Ag only 2-3%

Presentation to WW April 2016

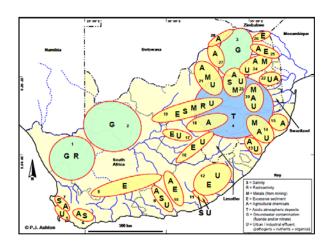


# The nexus in SA Water

### Water is a major constraint to economic growth

- Increasing consensus in business and development community that water scarcity and quality issues will increase dramatically in the short term with significant economic consequences
- 2 Environmental degradation, declining groundwater & unequal water distribution result, devastating water shortages, landscape changes- water deficits in half the 19 WMA and available supply already allocated
- Aging infrastructure and electricity interruptions, impact water provision and wastewater services
- Electricity tariffs (steady price increases (ie 2010 2011 increased by 26%) prohibitive cost accessing ground water and water treatment.
- Business is responding to the risk but at the expense of public sector capacity and skill development?

## Water quality: a crisis we could solve?



40% freshwater resources are in a **critical condition** and 80% are threatened.

Presentation WEF November 2016



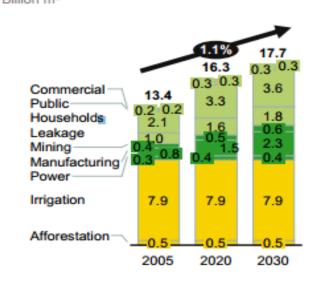
# The nexus in SA Water in policy making

# Insufficient water quality and quantity threaten our water security, food and energy production

- Right to clean water is enshrined in the constitution the White Paper on a National Water Policy and the National Water Act. Critical importance of water recognised at the highest levels
- Despite this and the DWA estimating a shortfall by 1,7% by 2025 the NDP proposes an increase of + 50% of irrigated land, to grow agricultural jobs...?
- Scale is key, what looks manageable at national level, can be problematic at provincial/local levels
- Regional integration is NB but first domestic resolution of lack of investment, capacity challenges, absence of harmonised policy and political hurdles
- Agricultural sector battles with energy sector for access to water... shrinking it. DAFF is weakest link in DAFF-DWA-DOE chain

Water demand: can it be met?

Water demand by sector Billion m<sup>3</sup>





# The nexus in SA Energy and electricity

### Energy insecurity poses risks for food and water security

- Energy is a rising cost for farmers directly and indirectly (e.g. via fertiliser). Price takers experience falling ROI
- Accessing new water resources will become prohibitive.
- Most coal-based power plants within regions partially or severely constrained in terms of water. Kusile located in severely constrained Olifants WMA
- 4 Coal mining led to contamination in Olifants such that the water cannot be used in coal-fired power stations
- Coal deposits in SA coincide with the best agricultural land. Several coal reserves overlap with areas of highest rainfall and major inland rivers.

## Water use by electricity-generation technology

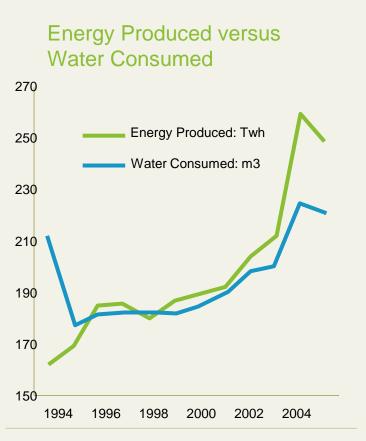
Technology type	Water Use (&/kWh)
Wet-cooled coal (existing)	1.15-2.30
Wet-cooled coal (future)#	2.12-2.80
Dry-cooled coal (existing)	0.11
Dry-cooled coal (future)*	0.36
Nuclear	0.055
Open cycle gas turbine	0.01
Combined cycle gas turbine	0.25
Solar photovoltaic (PV)	0.01
Concentrated solar power (dry-cooled)	0.34
Wind	0



### The nexus in SA

### **Energy and electricity in policy making**

# High risks for energy security from availability and quality of water



Water and energy planning aligned; electricity is a high value economic use of water "Priority user"

Water recognised as a key constraint in the Integrated Resource Plans. NDP and the IPAP call for shift to RE, biofuels 2% but no irrigation and caution in Fracking

But IRP does not plan for scarcity risks and policies focus on dry cooling technology and ignore long term solutions for low water intensive technology

Electricity sector = 50% of GHG carbon capture could increase consumption by 46-90%

Policy and planning shortcoming – consideration is water for energy not vice versa or impact on quality

Presentation to WW April 2016

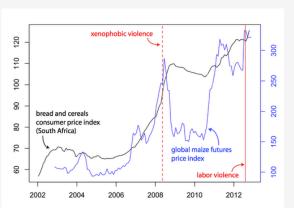


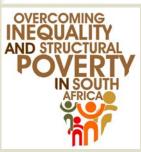
#### The relevance of nexus for South Africa

### What would you do as a policy maker?

"When we try to pick out anything by itself, we find it hitched to everything else in the universe." - John Muir

#### Are South African labour protests food riots?















#### South Africa's Deepseated Economic and Social Crisis

Dissection: "South Africa Is An Angry And Frustrated Nation" And On The Brink