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# AGRICULTURE, AQUACULTURE & FISHING SECTOR ALERT

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### The agricultural sector's lifeblood – protecting and preserving South Africa's scarce water resources

South Africa's reality as a water scarce country is a well-known fact, with water scarcity being exacerbated by poor water resource management and licensing, lacking water infrastructure, insufficient maintenance and investment, and, without question, climate change. Climate change and its impact on water is linked not only to increasing and more severe periods of drought, but also erratic and severe weather patterns which have a knock-on effect on water availability. Given the extensive water needs of produce farmers, the agricultural sector is and will be one of the hardest hit by the effects of climate change.

## The agricultural sector's lifeblood – protecting and preserving South Africa's scarce water resources

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To mitigate these detrimental impacts, South Africa has adopted a variety of measures that aim to cater for both the short and long term. There is, for instance, its commitment to nationally determined contributions under the Paris Agreement, which set the goal of keeping global average temperature increases less than 2°C above pre-industrial levels by 2050. The Paris Agreement has required countries like South Africa to commit to practical measures to combat climate change and strategies to adapt to its effects.

The financial ramifications of water scarcity for farmers, and of drought in particular, have recently been impacted by the repeal of the declaration of drought as a national disaster in July 2020. The move resulted in an outcry from prominent agricultural organisations who questioned its justification given the impact drought has had on commercial agriculture and the persistence of droughts in parts of the country. Following the repeal, farmers must mitigate the effects of drought themselves without any financial support from the disaster relief of R139 million that was previously provided by government which, even when it was available, was argued to be insufficient.

Since the "un-declaration", water shortages have remained a reoccurring theme in 2021, with water scarcity in the Nelson Mandela Bay region of the Eastern Cape considered by experts to be in "dire straits". A total of eight dams in the region are less than 10% full and the Kouga Dam, one of the biggest facilities serving the region generally and particularly farmers, is only 5% full and close to running completely dry. In trying to endure the recent and



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provide practical and commercial advice to help our clients in this sector achieve their business objectives, protect existing interests and maximise opportunities.

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## The agricultural sector's lifeblood – protecting and preserving South Africa's scarce water resources...continued

Historically and to date, the implementation of water security policies in South Africa has remained a serious challenge.

ongoing drought, farmers who are dependent on the Kouga Dam for irrigation have resorted to leasing additional land to plant fresh produce where water is more abundant, or trucking in water to their farms, with both options incurring expenditure for the foreseeable future. The impact this will have on the price of produce and the consequent burden on consumers cannot be ignored.

In the context of these challenges, and South Africa's broader water scarcity issues, the task of finding swift and effective solutions is essential. However, while it is important to continue prioritising reaching our climate change commitments such as those under the Paris Agreement, and encouraging water saving practices, these actions will not be sufficient unless accompanied by effective measures to address challenges relating to unsuccessful water policies; lacking water infrastructure; cumbersome licensing processes; and financing gaps.

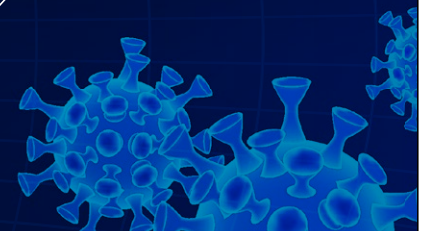
- **Improved and effective policies**

Historically and to date, the implementation of water security policies in South Africa has remained a serious challenge. What is needed are policies that, in fact, improve management and maintenance of existing infrastructure and address other water related issues faced by the country broadly, and the agricultural sector specifically.

The latest proposed solution takes the form of the National Water Security Framework, which aims to cover what is required to holistically protect South Africa's scarce water resources, identifying the underlying challenges and highlighting recommendations for their redress. The framework aims to guide all water-related policies across the governance system; strengthen implementation and encourage holistic oversight by government; and provide cross-sectoral water security through comprehensive stakeholder engagement and collaboration.

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## The agricultural sector's lifeblood – protecting and preserving South Africa's scarce water resources...continued

Through Operation Vulindlela, the government aims to ensure that water use license applications are finalised within a revised timeframe of 90 days.

- **Infrastructure development which seek to address the shortcomings and gaps in South Africa's existing framework**

Given the high costs associated with maintaining and upgrading South Africa's water infrastructure and developing new infrastructure, the lack of sufficient financial resources presents a major hurdle. There appears to be, however, a determined effort from government to redress such financing gaps in the form of the Investment Fund. The fund aims to invest R100 billion in infrastructure over the next decade, which financing will be directed towards projects that have a positive social impact including improving access to water.

- **Improved legislative timeframes and licensing administration**

The delay to processing and issuing water authorisations has presented a key challenge, especially to farmers who require authorisation to abstract ground, dam or river

water for irrigation and other water requirements. In his 2021 State of the Nation Address, President Ramaphosa highlighted the potential of Operation Vulindlela to reform South Africa's water sector. Through Operation Vulindlela, the government aims to ensure that water use license applications are finalised within a revised timeframe of 90 days, which should dramatically improve the current waiting period and redress the backlog of applications.

From the above it is evident that the approach to redressing South Africa's infrastructure deficiencies needs to be multifaceted to cater for existing issues and to facilitate new development. This will require an all-inclusive and collaborative approach of all stakeholders, such as farmers and catchment management agencies tasked with managing water catchment areas, to holistically protect South Africa's scarce water resources which are the lifeblood of the agricultural sector.

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*Laura Wilson and Margo-Ann Werner*

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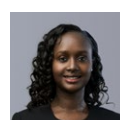
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### BBBEE STATUS: LEVEL TWO CONTRIBUTOR

Our BBBEE verification is one of several components of our transformation strategy and we continue to seek ways of improving it in a meaningful manner.

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