

THE ENDANGERED WILDLIFE TRUST'S RESPONSE TO THE 2013 BUDGET SPEECH

28th February 2012

Start

The Endangered Wildlife Trust (EWT) acknowledges the efforts of the South African government and especially the Finance Minister, Pravin Gordhan, to align the 2013 annual budget with the broader vision and related objectives for a "shared future and shared plan" as set out in the National Development Plan: Vision 2030. We also appreciate the reference to the need for cost effectiveness and performance, putting the national interest, shared efforts, cohesion and fairness first.

We understand that the achievement of the various macro-objectives of the country is a balancing act, especially from a budget and fiscal perspective. We appreciate the focused and prudent approach adopted by the Minister of Finance.

We also acknowledge the reference to the need for economic adaptation to climate change in the form of a low carbon economy including the introduction of a carbon tax. We also note the general and very brief reference to environmental matters including acid mine drainage, renewable energy and the rhinoceros crisis in the Budget Speech.

However, we are concerned that the Budget Speech did not more comprehensively address the budget and fiscal requirements to ensure the environmental sustainability (as set out in Chapter 5 of the National Development Plan: Vision 2030) of the proposed development path.

The 2013 Budget Speech focused mainly on the need for fiscal sustainability and economic growth, without mentioning that these objectives are dependent on the environmental sustainability of our proposed development path and the need to sustain the environment for the benefit of future generations as prescribed by our Constitution.

We therefore need to emphasise that if budget and fiscal requirements related to the sustainable use, conservation and protection of the country's natural resources are not effectively addressed in the national budget and the related financial policies and interventions, this could represent a material risk to the sustainability of the economic and social growth of the country. For example, we are alarmed that no reference was made to the overall investment required for the conservation and protection of the country's scarce water resource, upon which our social and economic development is reliant. Furthermore, we are concerned that the budget considerations outlined for the various large scale infrastructure projects and other developmental projects, especially in terms of mining, do not seem to mainstream the required investments to manage and conserve the ecosystems services affected by

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The Endangered Wildlife Trust is a non-profit, public benefit organisation dedicated to conserving species and ecosystems in southern Africa to the benefit of all people.



such developments. If this is the case, such projects would, in the long term, detrimentally impact on the sustainable development of the country. The Budget also limited its consideration of climate change to mitigation, without considering adaptation investments, which, if not adequately supported, could represent a substantial risk to social development of the rural and poor communities in South Africa

In addition, we are disappointed that the budget speech did not make mention of an overall investment strategy to conserve our natural capital for future generations.

We must reiterate that it is critical for the Minister of Finance, his department and the South African government at large to ensure that environmental externalities are effectively internalised in our national budget and financial instruments, if they are to be addressed effectively.

However, as the Minister of Finance mentioned, there is an opportunity for change. We are therefore calling on the Minister of Finance to ensure that the Budget and the work of the Department of Finance for 2013 ensures the implementation of Chapter 5 of the National Development Plan: Vision 2030. We would like to put emphasis on the following:

- # The need for full cost accounting by internalising both environmental and social costs in planning and investment decisions.
- # The need for strategic planning by following a systematic approach that is responsive to emerging risk and opportunity, and which identifies, reduces and mitigates environmental trade-offs.
- # The need for developmental transformation to ensure environmental sustainability by addressing the structural and systemic flaws of the economy and society with strength of leadership, boldness, visionary thinking and innovative planning.
- # The need for a managed transition to an environmentally sustainable society by building on existing processes and capacities to enable society to change in a structured, phased and sustainable manner. # The need to be opportunity-focused by looking for synergies between environmental sustainability, growth, competitiveness and employment creation, based on the investment in a green and environmentally sustainable growth path for South Africa to attain equality and prosperity.

We are calling on the Minister of Finance to ensure that the fiscal reform mentioned in the Budget Speech addresses the need for increased revenue generation for conservation.

We are also calling on the Minister to expand his budget interventions beyond the Rhinoceros crisis and to address, in a cohesive manner, the illegal trade of our wildlife by ensuring that adequate budget is allocated to support the judiciary system, the enforcement and compliance function of government and, more generally, the control of environmental crimes.

We do agree with the Minister of Finance that if we work collaboratively "we can sustain our miracle".

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The EWT supports the government's objectives in terms of capacity building, skills development and job creation, in the environmental sector, as well as institutional capacity building within the biodiversity conservation area.

Furthermore, we support the government's objective to build strategic partnerships to achieve the new developmental trajectory and aim to lead, support and collaborate on the development and implementation of strategic partnerships to facilitate the cost-effective mainstreaming of biodiversity considerations, including risks and opportunities, in the developmental agenda of the country.

End

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