



Ministers E Molewa and N Pandor and Deputy Minister G Oliphant: launch of the Strategic Environmental Assessment of shale gas development



Statement by the Ministers of DEA, Ms Edna Molewa, Science and Technology, Naledi Pandor, Deputy Minister of Mineral Resources, Godfrey Oliphant, at the launch of the Strategic Environmental Assessment of shale gas development with the Ministries of Water Affairs & Sanitation, and Energy

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We are gathered at this briefing today as a Ministerial Task Team and our Technical Team consisting of Departments of Minerals Resources, Environmental Affairs, Science and Technology, Water and Sanitation and Energy. Our objective today is to inform South Africans and the media of one of our initiatives as a country, to investigate possible impacts and potential mitigation opportunities of shale gas, if found.

Thank you for being here with us at this very important occasion. Today we take the crucial first step towards the further development of South Africa's energy landscape;

namely the commissioning of the Strategic Environmental Assessment of Shale Gas Development.

If indeed viable deposits are found in South Africa, shale gas, as a relatively lower carbon energy source presents significant transformative potential for the South African economy.

Today's launch takes place at a time when the global energy landscape is undergoing dramatic change; as unconventional oil and gas resources fuel an energy boom with profound impacts.

South Africa, like most countries around the globe, is mindful of the need to seek alternative energy sources like shale gas, which though a 'fossil fuel, is relatively not like coal', with a lesser environmental impact.

South Africa's National Development Plan (NDP) outlines the vision for our country's transition to an environmentally sustainable, climate-change resilient, low-carbon inclusive economy.

As clearly articulated in our National Integrated Resource Plan (NIRP), shale gas together with other energy sources, form an integral part of this vision: with its ultimate aim being to support our societal transformation and economic growth.

Ladies and Gentlemen, at a time of energy scarcity for our country this launch is both timely and critical.

Not only could the exploitation of deposits of lower carbon shale gas – if found, result in the provision of affordable and safe energy: it is also a potential source of job creation, foreign exchange and investment – and overall contribute towards South Africa's energy security. We do however recognise we are not at a stage where we can say with certainty that there are significant deposits.

We are here today specifically to launch the commissioning of a Strategic Environmental Assessment (SEA) for shale gas development.

Before elaborating on the process and project approach of the Assessment, we would like to provide some background on the steps that led to this project announcement.

Cabinet established an Interdepartmental Task Team to investigate the possibility of addressing any anticipated challenge that we may face in our endeavour to develop shale gas in our country. The concerns we have been tasked to consider are as follows:



Ministers of Environmental Affairs, Ms Edna Molewa, Science and Technology, Naledi Pandor, Deputy Minister of Mineral Resources, Godfrey Oliphant, at the launch of the Strategic Environmental Assessment of shale gas development with the Ministries of, Water Affairs & Sanitation, and Energy.

- Environmental impact on ecosystems, waste management etc.
- Challenges of impact on water, given that South Africa is a water-scarce country, and
- Possible impact on the already progressing Square Kilometre Array program.
- Establishment of a regulatory regime that would guide all processes.

Square Kilometre Array (SKA)

Having considered the vital importance of the SKA for our country and the world, the Interdepartmental Task Team has made a decision to ensure that the shale gas initiative must never impact negatively on the SKA. The SEA must therefore take this decision into cognisance in the extensive investigation that we are embarking upon.

Steps Preceding the Strategic Environmental Assessment of Shale Gas Development

In July 2012, we began implementing a planned, step-wise approach towards our investigation where progress in respect to each step informs decisions in respect of the next step.

The Interdepartmental task team report on the investigation of hydraulic fracturing revealed that there is a lack of information locally to enable robust decision-making on the matter.

We made two commitments to address the current lack of information and knowledge, namely, the development of a 'first pass' Strategic Environmental Assessment (SEA) to identify sensitive areas for shale gas development and secondly, the production of research around the actual greenhouse gas emissions associated with shale gas extraction, transport and use, if shale gas is found.

Considering this dearth of information locally on shale gas exploitation, extraction and development, and in line with our core Departmental mandates, the Departments of Environmental Affairs (DEA), Water and Sanitation (DWS), Science and Technology and Mineral Resources commissioned this SEA *for Shale Gas Development*.

Our Team will be supported by the Council for Scientific and Industrial Research (CSIR), the South African National Biodiversity Institute (SANBI) and the Council for Geosciences (CGS).

Sustainable Development



Minister Edna Molewa and Naledi Pondor at the launch of the Strategic Environmental Assessment of shale gas development.

We would like to reiterate commitment to our constitutional mandate as well as our government policy on "Sustainable Development", which is to secure an environment that is not harmful to the health and well-being of our people, while also ensuring that our South African socio-economic growth is not hampered.

Ours is to ensure a balance in the three pillars of sustainable development, namely socio-economic growth, consideration of impacts on people and protecting and conserving the environment for future generations.

The Strategic Environmental Assessment for shale gas development will thus be conducted as a **science-based assessment** to improve our understanding of the risks and opportunities of shale gas development. We believe that this will assist government to create a framework and guiding principles to inform responsible decision-making.

The Strategic Environmental Assessment will consider both exploration and production related activities and impacts of shale gas development, including the process

of hydraulic fracturing, and will include an assessment of all material social, economic and biophysical risks and opportunities presented.

The study area will include regions of the Karoo Basin which currently have exploration rights applications pending in the Northern, Eastern and Western Cape Provinces. This Strategic Environmental Assessment for shale gas development will run over 24 months duration.

Guiding regulations

The process of exploration will however not stop. This is due to another milestone we have already registered regarding the successful conclusion of the necessary regulations by Department of Mineral Resources which will be published soon. These regulations will be used to guide the exploration process which is highly imperative in determining the possible existence and magnitude of shale gas, if found.

Our Approach

We have since appointed a project team comprising of the Council for Scientific and Industrial Research (CSIR), the South African National Biodiversity Institute (SANBI) and the Council for Geosciences (CGS) to undertake the Strategic Environmental Assessment.

The project team will be led by our world-renowned academic, Systems Ecologist, Professor Bob Scholes of the University of Witwatersrand, who is also a research associate of the CSIR.

The significance of this project is that its governance structure and approach will ensure three key principles, namely, that:

- The SEA must be 'salient' and cover all the important issues and concerns around shale gas.
- Secondly, the SEA must include groups of leading experts to ensure 'credibility', and
- Thirdly, the SEA must be grounded in transparent and participatory processes to ensure 'legitimacy'.

An extensive governance approach has been adopted and includes extensive stakeholder participation from the industry, private sector, NGO sector, CBO and community sector, as well as all three spheres of government.

The three affected provinces, namely the Western Cape, Eastern Cape and Northern Cape Provinces are part of the National Project Executive Committee. The governance structure also includes a process custodian group comprising of 15 representatives from government, research institutions, industry experts, and NGOs. The custodian group will oversee the SEA process, ensuring that all the relevant sectors and parties are included and that the SEA follows the correct process.

To further ensure that the SEA process is 'salient', 'legitimate' and 'credible', the project team will be supported by a *multi-author team* comprising of scientists and experts from a broad range of sectors from across different provinces of South Africa.

The approach of having multi-sectoral, multi-author teams is aimed ensuring that a broad balance of interest is represented. Each strategic issue identified will be addressed by the teams of authors, who are recognised experts and knowledgeable persons. The work of the multi-author teams will in turn be reviewed by independent experts.

Informed by existing literature and public concerns, the following strategic issues have been identified as part of the scope of the Assessment:

- Biodiversity and Ecosystem services
- Water Resources (surface and ground water)
- Geophysics
- Economics (including agriculture and tourism)
- Spatial planning
- National energy planning
- Waste management
- Human health
- Air quality
- Social fabric
- Visual
- Heritage resources
- Sense of place

As we conclude, we wish to reaffirm our government's responsibilities and commitment to the three pillars of sustainable development, namely socio-economic growth, consideration of impacts on people, and protecting and conserving the environment for future generations.

People are at the heart of all development. It is the people of South Africa who will benefit most if it is found that viable deposits exist of lower carbon shale gas – enabling exploitation, extraction and development. Equally, it is people who will be most affected by potential environmental impacts that may arise as a result of this exploitation if we do not proactively undertake this investigation thoroughly.

To access the presentation by Professor Bob Scholes of the CSIR and the project information portal, visit <http://seasgd.csir.co.za/>

For media queries, contact

Albi Modise
Cell: 083 490 2871

