

## **South Africa (Maloti-Drakensberg)**

### *Maloti-Drakensberg Transfontier Project (MDTP)*

#### **SUMMARY**

The Maloti-Drakensberg Transfontier Conservation and Development Project (MDTP) is a joint project between South Africa and Lesotho that aims to protect biodiversity in the Drakensberg and Maloti mountains through conservation, sustainable resource use, and land-use and development planning. The Payment for Environmental Services (PES) component plans to develop the capacity of local government stakeholders to recognise the value of environmental services and establish a trade in environmental services in selected areas.

#### **MATURITY OF THE INITIATIVE**

Identified as a pilot scheme in Landell-Mills and Porras (2002) and under implementation in 2006.. the PES sub-project in particular is about to move forward at last, since the negotiations with the World Bank are concluded. Payments had yet to be made as of 2009.

#### **DRIVER**

PES scheme arises due to interest in preserving the water protection services provided by the Maloti and Drakensberg Mountains, from where 70 per cent of South Africa's water supply originates. The environmental problems that the PES project will try to address are excessive livestock grazing, crop cultivation on steep slopes, uncontrolled burning, alien invading species and human encroachment.

#### **STAKEHOLDERS**

##### **Supply**

Two pilot municipalities (from a total of five selected) have been chosen according to their priority in terms of water security, importance of supply for rural and urban consumers, rural poverty (and consequent dependence on natural assets), rate of land use conversion and level of resource pressure from local communities.

In two of these areas (Mweni and Clarens), a large water utility is already investing in watershed management and there is a possibility of building on this.

##### **Demand**

Unclear.

##### **Intermediary**

Unclear.

#### **MARKET DESIGN**

##### **Service**

Unclear, but likely to be both water quantity and quality.

##### **Commodity**

Unclear.

##### **Payment Mechanism**

Unclear, but likely to involve an agreement with the private sector and the government.

##### **Terms of Payment**

Unclear.

## Funds Involved

**US\$7.93 MILLION SPREAD ACROSS VARIOUS PROJECTS (FIGURE NOT EXCLUSIVE TO PAYMENT FOR WATERSHED SERVICES (PWS))**

## ANALYSIS OF COSTS AND BENEFITS

### Economic

No information available.

### Environmental

No information available.

### Social

No information available.

## LEGISLATION ISSUES

There is already a treaty that has been signed between South Africa and Lesotho for the trade in water.

## MONITORING

No information available.

## MAIN CONSTRAINTS

According to Zunckel (2006), the main difficulties encountered so far are:

- i) to find suitably qualified people available to do the work;
- ii) compiling specific enough terms of reference for the World Bank procurement processes;
- iii) lack of trust in the potential of PES as an appropriate tool for the environmental problems to address;
- iv) uncertainty as to how brokering agreements between catchment managers and water users would fit in with national water legislation that sees water as a national asset;
- v) despite the existence of a water trading treaty between South Africa and Lesotho, there seems to be some resistance to developing it further on a micro scale.

Despite these constraints, the project team has met wide support from most natural resource managers and academics.

## MAIN POLICY LESSONS

No information available.

## OTHER INFORMATION

No information available.

## CONTACT

James Bignaut (james@jabenzi.co.za)

Kevan Zunckel, RSA Project Coordinator Maloti Drakensberg Transfrontier and Development Programme  
([kevan@maloti.org](mailto:kevan@maloti.org))

## REFERENCES

King, N et al (2005). An Inventory of current ecosystem service payments, markets and capacity building in South Africa. Document presented at the Eighth Public Meeting of the Katoomba Group-Building Foundations for Pro-Poor Ecosystem Services in Africa 19-22 September, 2005, Uganda.



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Personal Communication from Mr Kevan Zunkel (January, 2006).

Project website: [www.maloti.org/bi/default.htm](http://www.maloti.org/bi/default.htm)

#### **LINKS**

<http://www.jabenzi.co.za/>