

Assmang Landholdings, Cato Ridge, KwaZulu-Natal

Offset Planning: Preliminary Trade-off Analysis

Minutes of the meeting with eThekwini (EPCPD), KZN EDTEA & Ezemvelo KZN Wildlife

Date: **24th January, 2022**

Time: **14:00 - 16:10**

Venue: **Microsoft Teams Meeting**

Attendance:

Name	Initials	Company/Dept	Email
Douglas Macfarlane	DM	Eco-Pulse Consulting	dmacfarlane@eco-pulse.co.za
Werner Botha	WB	Assmang / CRDC	wernerb@feralloys.co.za
Greg Mullins	GM	Ethekwini: EPCPD	Greg.Mullins@durban.gov.za
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Michelle Lotz	ML	Ethekwini: EPCPD	michelle.lotz@durban.gov.za
Cameron McLean	CM	Ethekwini: EPCPD	1urban1.mclean@durban.gov.za
Dominic Wieners	DW	Ezemvelo KZN Wildlife	Dominic.Wieners@kznwildlife.com
Ian Felton	IF	KZNEDTEA	ian.felton@kznedtea.gov.za
Debbie Jewitt	DJ	Ezemvelo KZN Wildlife	swanepod@kznwildlife.com

Apologies:

Name	Company/Dept	Email
Asia Khan	AK	KZNEDTEA
Natasha Brijlal	NB	KZNEDTEA

Minutes prepared by: Douglas Macfarlane, Eco-Pulse Environmental Consulting Services

Distribution of minutes by email to attendees: as above

MS Teams attendance register is attached as **Annexure 1**.

Meeting Minutes

1. Introduction

- DM welcomed the attendees and facilitated a round of introductions.
- This was scheduled as a catch-up meeting on progress and next steps regarding offset planning for Assmang's landholdings near Cato Ridge.
- An overview of items for discussion on the agenda was presented and was viewed as acceptable to guide discussions.

2. Follow-up on actions from previous meeting

Much of the discussions focussed around progress on actions identified following the previous meeting. As such, feedback has been grouped according to these action items rather than reflecting the sequencing of discussions during the meeting.

Action: *Applicant to review development proposal and consider the submission of a framework application for a smaller area targeting least sensitive areas whilst more strategic planning is underway. This smaller area may not be restricted to Area 2 only but based on DS enhanced mapping.*

Discussion:

- Whilst the applicant has taken note of this recommendation, a decision has been taken to continue with preparing an EIA for the entire area. Refined sensitivity mapping will however be used to further inform layout planning.

Action: *IF to investigate the potential of funding a strategic assessment and development of a strategic offset framework for the N3 corridor and linking this to a formalized conservation banking mechanism. IF to consider including areas not part of the Assmang final planning footprint in his strategic assessment to identify land as a Phase 2 of Assmang's release of the land project.*

Discussion:

- IF provided some feedback to participants by indicating that approval for funding a strategic assessment that includes the piloting of a conservation banking approach to the N3 corridor has been approved in principle by KZNEDTEA. Finances are likely to be confirmed in April whilst the submission of a tender calling for proposals was likely to take place in June/July. The appointment is likely to be at least 12 months.
- The developer raised concerns regarding the length of time required for such an assessment and the competition for land for development in the region. As such, they were not supportive of delaying the EIA application until after a strategic assessment of this nature had been completed.
- GM emphasized that despite a clear need and desirability for developments linked with the "Dry Port" concept, the best location for such development needs to be identified. Their key contention was that there may well be a number of other suitable areas that could be targeted for development that are of lower conservation value. As such, EPCPD would support a strategic assessment as proposed and he cautioned that the applicant should be careful of not proceeding too far with site level planning at this stage.
- IF noted that nothing can prevent the applicant from making an application in the interim although there would be significant risk in proceeding without a strategic assessment in place.

Action: *DS to refine condition and associated sensitivity mapping to specifically identify "non-recoverable" areas as well as to increase the category listing of the quality of grasses in order to identify developable areas.*

Discussion:

- DM indicated that DS will be initiating a study to better understand the recovery potential of KZNSS. The intention would be to then use this information as a basis for informing potential adjustments to offset ratios for previously transformed / degraded grasslands.
- DW indicated that EKZMW would not support any deviation from the 30:1 ratio due to the fact that the vegetation type was already critically endangered.

- SN also supported this approach, with no relaxation of offset targets based on the condition of targeted areas.
- IF questioned this approach, indicating that areas that do not represent the grassland type should be treated differently. As such, he supported the notion of better understanding recovery potential to inform offset targets.
- ML further supported DW & SNs stance indicating that such areas may also play an important functional role in the landscape.
- DW reiterated that condition would not be considered for CR vegetation types. Offset requirements may however be reduced for secondary grasslands.
- IF again emphasized the point that if floristics has changed to the point that they no longer represent the vegetation type, this should be considered. He further suggested that the question of recoverability is important, particularly if grasslands in poor condition are unlikely to recover.
- When asked whether the team should proceed with the study, SN indicated that there is value although this should not be used as a basis for adjusting offset ratios.
- IF also supported the study and suggested that such information would be important in informing a risk-based approach to development. The importance of following the mitigation hierarchy was reiterated, in particular, the need to try and avoid the most sensitive areas.
- DW agreed that the exercise would have value to the scientific community but was uncomfortable with having these discussions when talking about critically endangered ecosystems. He further emphasized that the EKZN offset guidelines specifically excludes such ecosystems since impacts to such areas should be viewed as not offsettable.
- DJ supported DW by indicating that only 11% of this vegetation type is remaining, which is way below the target of 25% that has been set for the vegetation type. To meet the target, one would need to protect 45 000ha and at present there is only around 20 000 ha remaining (including degraded areas). She further indicated that the vegetation type is floristically diverse with a range of endemic species that adds to the importance of protecting this vegetation type.
- DJ further noted the concern that discounting for condition could set a dangerous precedent and act as a perverse incentive for mismanagement.
- DJ further emphasized the importance of the site, by noting that Assmangs landholdings represents approximately 10% of remaining KZNSS. These areas also support ecosystem processes.
- IF noted that all parties were mindful of the constraints with the site and as such, again emphasized the importance of adopting a risk-based approach to planning.

Action: *Coupled with the upcoming site investigations that will be completed by DS, a review of historical aerial imagery will also be conducted to help inform the difference between primary vs secondary grasslands and the potential for rehabilitation.*

Discussion:

- DM indicated that this task had been completed and provided a brief overview of the outcomes in the form of a map indicating areas of historic disturbance and transformation.

Action: *DM to investigate the establishment of a conservation banking model to cater for offset obligations that cannot be met on Assmag's landholdings.*

Discussion:

- DM provided a brief overview on the conservation banking concept and how this could potentially work in practice.
- DW questioned the validity of piloting a conservation banking scheme for a critically endangered ecosystem. He suggested that piloting should rather be undertaken for a vulnerable ecosystem. He further noted that terminology is important and that any discussions should be referring to “compensation” rather than “offsets”.
- GM noted that a conservation bank would be useful in compensating for impacts to small grassland fragments or grasslands in very poor condition which would typically not trigger and offset study.
- IF noted the importance of having a bank regulator to hold the register of bank sites and to regulate banks once they are established.
- GM questioned whether the intention was to set up a bank only for the CRDC developments or for other development projects in the region.
- DM indicated that the bank would be set up for this project but that it would provide a platform to meet offset requirements for other developments in future.
- IF noted that it would be important to unpack the mechanism of banking in terms of how it would specifically work in KZN.
- IF suggested that once a National Policy is formalized, an implementation guideline could be developed. The drafting of such a guideline could benefit from the learnings from a pilot project of this nature.
- IF suggested that it would be worth approaching Pamela Kershaw (DFFE) for support, with a particular emphasis on providing support in developing an appropriate framework for banking.
- DW reiterated his concern with piloting a conservation bank for critically endangered ecosystems where development applications should typically be viewed as “fatally flawed” or “No-Go” areas for development.
- There was general support from participants with the preliminary institutional framework and associated roles and responsibilities of different parties presented by DM.
- DM provided an overview of BMP-E’s indicating how this could potentially be used as a key tool as part of bank establishment.
- Participants were aware of plans for species but were unfamiliar with any examples of where this tool had been applied for ecosystems.

Action: *DM to also investigate the extent of possible off-set land available on both private and traditional land holdings and to initiate engagement with landowners on the possible costs for securing offset receiving areas. The viability of either purchasing land VS establishing stewardship agreements will be considered.*

- DM noted that there were major inconsistencies in the mapping of KZNSS and that the provincial / national vegetation maps in eThekweni had been revised considerably in recent years following more detailed investigations on floristic composition. The primary factor affecting the distribution of this vegetation type appears to be geology. Whilst no detailed geological map is readily available for the province, Natal Group Geology is indicated in the 1:25 000 national geological map of South Africa and corresponds well with KZNSS mapped in eThekweni. As such, this is regarded as the most useful predictor of KZNSS in the province rather than existing provincial / national vegetation maps.
- DM provided an overview of the planned approach to identifying potential offset receiving areas both within and outside eThekweni Municipality.
- SN indicated that EPCPD would not support offset receiving areas outside of the metro and that all offset sites should fall within the municipal boundary.

- IF indicated that whilst he understood that preference should be given to selecting offset sites in the metro, there is also a need to look into the bigger picture and to also take a provincial perspective.
- DW suggested that a strategic study be undertaken first before consideration be given to offset areas outside the municipality.
- SN indicated that losses would directly affect the ability of the Metro to meet their conservation targets and as such, re-iterated the importance of prioritizing offset actions within the metro boundaries.
- DW supported SN by indicating that offsets should ideally be located in the same municipal areas as where impacts occur.
- GM indicated that there is likely to be significant variation in floristics across the province in response to changes in rainfall patterns etc. As such, he suggested that there is an argument to secure offset sites as close to impacted areas as possible.
- CM supported GM by indicating that there was significant variability in KZNSS which included coastal and more inland forms of the vegetation type. He further indicated that the occurrence of important endemic species is also likely to vary across the distribution of the vegetation type.
- DM raised the question on out-of-kind offsets and whether these could be considered, particularly where such areas occurred on land already owned by the applicant.
- CM indicated that such suggestions were premature and that more data on the potential of meeting targets in the municipality is needed before such discussions can be initiated.
- GM indicated that grasslands south of the N3 do have a high biodiversity value although they are not KZNSS. He suggested that such sites could potentially be included in the conservation bank but should not be considered for this application. The rationale provided is that this would amount to “trading down”, which is generally viewed as unacceptable.

5. Closure

In closing, the following final remarks were made by stakeholders:

- DW indicated that he was very uncomfortable with these discussions.
- GM indicated that an iterative process should be followed and that a strategic approach to planning in the region was preferred.
- IF requested that GM and others advise him on what would be required for a strategic assessment of opportunities for logistics and light industry in the region.

Annexure 1. MS Teams Attendance Register

Meeting Summary

Total Number of Participants 9

Meeting Title Offset Discussion - Cato Ridge Development Company Ltd (CRDC): Next Steps

Meeting Start Time 1/24/2022, 2:00:47 PM

Meeting End Time 1/24/2022, 4:09:03 PM

Meeting Id df260923-7a7c-43ef-9ea9-b7c3e5edaf71

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