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Appendix D7:
Social Impact Assessment

SOCIAL IMPACT ASSESSMENT

FF DE RUST PV1 AND PV2 SOLAR ENERGY FACILTY

NORTHERN CAPE PROVINCE

MAY 2023

Prepared for

ENVIRO-INSIGHT

By

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EXECUTIVE SUMMARY

INTRODUCTION AND LOCATION

FF De Rust (Pty) Ltd (hereafter the Applicant) proposes the development of two (2) wind energy facility (WEF) and two (2) solar energy facilities (SEF) and its associated infrastructure on a site located approximately 15km south of Pofadder. The sites are located in the within the Khâi-Ma Municipality (KMM), in the Northern Cape Province of South Africa. The study area is located outside the Springbok Renewable Energy Development Zone (REDZ) in the Northern Cape Province.

Tony Barbour was appointed by Enviro-Insight to undertake Social Impact Assessments (SIAs) for proposed WEFs and SEFs as part of the EIA process. This report contains the findings of the SIA for the FF De Rust PV1 and PV2 SEFs.

SUMMARY OF KEY FINDINGS

The key findings of the study are summarised under the following sections:

- Fit with policy and planning.
- Construction phase impacts.
- Operational phase impacts.
- Cumulative impacts.
- Decommissioning phase impacts.
- No-development option.

The social issues and associated significance ratings will be the same for both the FF De Rust PV1 and PV2 SEFs. Separate assessments have therefore not been undertaken.

FIT WITH POLICY AND PLANNING

The development of renewable energy and the associated energy infrastructure is strongly supported at a national, provincial, and local level. The development of and investment in renewable energy and associated energy distribution infrastructure is supported by the National Development Plan (NDP), New Growth Path Framework and National Infrastructure Plan, which all highlight the importance of energy security and investment in energy infrastructure. The development of the proposed SEF and associated infrastructure is therefore supported by key policy and planning documents.

CONSTRUCTION PHASE

Potential positive impacts

- Creation of employment and business opportunities, and the opportunity for skills development and on-site training.

The construction phase for each PV SEF will extend over a period of approximately 24 months and create in the region of 200-250 employment opportunities. The total wage bill for each PV SEF will be in the region of R 40 million (2023 Rand values). A percentage of the low and semi-skilled employment opportunities will benefit residents from local towns in the area, including Aggeneys, Pofadder, Springbok and Kakamas. Most the beneficiaries are likely to be historically disadvantaged (HD) members of the community. This would represent a short term positive social benefit in an area with

limited employment opportunities. A percentage of the wage bill will be spent in the local economy which will also create opportunities for local businesses.

The capital expenditure associated with each PV SEF will be ~R2 billion (2023 Rand values) and will create opportunities for the local and regional economy. The sector of the local economy most likely to benefit from the proposed development is the local service industry. The potential opportunities for the local service sector would be linked to accommodation, catering, cleaning, transport, and security, etc. associated with the construction workers on the site. However, given the relatively small scale of the development and short construction period the benefits will be limited.

Potential negative impacts

- Impacts associated with the presence of construction workers on local communities.
- Increased risks safety, livestock and farming infrastructure associated with the construction related activities and presence of construction workers on the site.
- Increased risk of grass fires associated with construction related activities.
- Nuisance impacts, such as noise, dust, and safety, associated with construction related activities and vehicles.

The findings of the SIA indicate that the significance of all the potential negative impacts with mitigation are likely to be **Low Negative**. The potential negative impacts can therefore be effectively mitigated if the recommended mitigation measures are implemented. Table 1 summarises the significance of the impacts associated with the construction phase.

Table 1: Summary of social impacts during construction phase

Impact	Significance No Mitigation/Enhancement	Significance With Mitigation/Enhancement
Creation of employment and business opportunities	Medium (Positive)	Medium (Positive)
Presence of construction workers and potential impacts on family structures and social networks	Medium (Negative)	Low (Negative)
Safety risk, stock theft and damage to farm infrastructure associated with presence of construction workers	Medium (Negative)	Low (Negative)
Increased risk of grass fires	Medium (Negative)	Low (Negative)
Impact of heavy vehicles and construction activities	Medium (Negative)	Low (Negative)

OPERATIONAL PHASE

Potential positive impacts

- The establishment of infrastructure to improve energy security and support renewable sector.
- Creation of employment opportunities.
- Benefits for local landowners.
- Benefits associated with socio-economic contributions to community development.

The proposed project will supplement South Africa's energy and assist to improve energy security. In addition, it will also reduce the country's reliance on coal as an energy source. This represents a positive social benefit.

Potential negative impacts
- Noise impacts associated with the operation of the plant.
- Visual impacts and associated impacts on sense of place.
- Potential impact on property values.
- Potential impact on tourism.

The findings of the SIA indicate that the significance of all the potential negative impacts with mitigation are likely to be **Low Negative**. The potential negative impacts can therefore be effectively mitigated. The significance of the impacts associated with the operational phase are summarised in Table 2.

Table 2: Summary of social impacts during operational phase

Impact	Significance No Mitigation/Enhancement	Significance With Mitigation/Enhancement
Establishment of infrastructure to improve energy security and support renewable sector	High (Positive)	High (Positive)
Creation of employment and business opportunities during maintenance	Low (Positive)	Medium (Positive)
Benefits associated with socio-economic contributions to community development	Medium (Positive)	High (Positive)
Benefits for landowners	Low (Positive)	Medium (Positive)
Visual impact and impact on sense of place	Low-Medium (Negative)	Low-Medium (Negative)
Impact on property values	Low (Negative)	Low (Negative)
Impact on tourism	Low (Negative)	Low (Negative)

CUMULATIVE IMPACTS

Cumulative impact on sense of place

The De Rust South PV1 and PV2 SEFs are part of four renewable energy facilities proposed for the area. The other two include the De Rust North WEF and De Rust South WEF. There are also a number of approved and proposed renewable energy generation

applications within the adjacent Springbok REDZ. The potential for combined and sequential visibility impacts therefore exists. However, considering purpose of the establishment of the Springbok REDZ (i.e. to concentrate renewable energy applications within this area) the cumulative visual impact is considered to be within acceptable limits.

Cumulative impact on local services and accommodation
The significance of this impact with mitigation was rated as **Low Negative**.

Cumulative impact on local economy
The significance of this impact with enhancement was rated as **High Positive**.

DECOMMISSIONING PHASE

Given the relatively small number of people employed during the operational phase (~ 30), the potential negative social impact can be effectively managed with the implementation of a retrenchment and downscaling programme. With mitigation, the impacts are assessed to be Low (negative). Decommissioning will also create temporary employment opportunities. The significance was assessed to be Low (positive).

NO-GO DEVELOPMENT OPTION

The No-Development option would represent a lost opportunity for South Africa to improve energy security and supplement its current energy needs with clean, renewable energy. Given South Africa's current energy security challenges and its position as one of the highest per capita producers of carbon emissions in the world, this would represent a significant negative social cost. The No-Development option is not supported by the findings of the SIA.

CONCLUSIONS AND RECOMMENDATIONS

The findings of the SIA study indicate that the proposed De Rust PV1 and PV2 SEFs and associated infrastructure will create a number of social and socio-economic benefits, including creation of employment and business opportunities during both the construction and operational phase. The project will also create economic development opportunities for the local community. The enhancement measures listed in the report should be implemented in order to maximise the potential benefits. The significance of this impact is rated as **High Positive**. The proposed development also represents an investment in clean, renewable energy infrastructure, which, given the negative environmental and socio-economic impacts associated a coal-based energy economy and the challenges created by climate change, represents a significant positive social benefit for society as a whole. The Renewable Energy Independent Power Producers Procurement Programme (REIPPPP) has resulted in significant socio-economic benefits, both at a national level and at a local, community level. These benefits are linked to foreign Direct Investment, local employment and procurement and investment in local community initiatives.

The findings also indicate that the potential negative impacts associated with both the construction and operational phase are likely to be **Low Negative** with mitigation. The potential negative impacts can therefore be effectively mitigated if the recommended mitigation measures are implemented.

Statement and reasoned opinion

The establishment of the proposed De Rust PV1 and PV2 SEFs and associated infrastructure is therefore supported by the findings of the SIA.

CONTENTS OF THE SPECIALIST REPORT – CHECKLIST

Regulation GNR 326 of 4 December 2014, as amended 7 April 2017, Appendix 6	**Section of Report**
(a) details of the specialist who prepared the report; and the expertise of that specialist to compile a specialist report including a *curriculum vitae*;	Section 1.5, Annexure A
(b) a declaration that the specialist is independent in a form as may be specified by the competent authority;	Section 1.6, Annexure B
(c) an indication of the scope of, and the purpose for which, the report was prepared;	Section 1.1, Section 1.2
(cA) an indication of the quality and age of base data used for the specialist report;	Section 1.2, Section 3,
(cB) a description of existing impacts on the site, cumulative impacts of the proposed development and levels of acceptable change;	Section 4
(d) the duration, date and season of the site investigation and the relevance of the season to the outcome of the assessment;	See Section 1.5.2
(e) a description of the methodology adopted in preparing the report or carrying out the specialised process inclusive of equipment and modelling used;	Section 1.2, Annexure B
(f) details of an assessment of the specific identified sensitivity of the site related to the proposed activity or activities and its associated structures and infrastructure, inclusive of a site plan identifying site alternatives;	Section 4, Section 5,
(g) an identification of any areas to be avoided, including buffers;	Section 4
(h) a map superimposing the activity including the associated structures and infrastructure on the environmental sensitivities of the site including areas to be avoided, including buffers;	N/A
(i) a description of any assumptions made and any uncertainties or gaps in knowledge;	Section 1.4,
(j) a description of the findings and potential implications of such findings on the impact of the proposed activity, including identified alternatives on the environment, or activities;	Section 4, Section 5
(k) any mitigation measures for inclusion in the EMPr;	Section 4
(l) any conditions for inclusion in the environmental authorisation;	Section 4, Section 5
(m) any monitoring requirements for inclusion in the EMPr or environmental authorisation;	N/A
(n) a reasoned opinion— i. as to whether the proposed activity, activities or portions thereof should be authorised; iA. Regarding the acceptability of the proposed activity or activities; and ii. if the opinion is that the proposed activity, activities or portions thereof should be authorised, any avoidance, management and mitigation measures that should be included in the EMPr or Environmental Authorization, and where applicable, the closure plan;	Section 5.3
(o) a description of any consultation process that was undertaken during the course of preparing the specialist report	See Section 1.5.2
(p) a summary and copies of any comments received during any consultation process and where applicable all responses thereto; and	See Section 1.5.2
(q) any other information requested by the competent authority	N/A
Where a government notice gazetted by the Minister provides for any protocol or minimum information requirement to be applied to a specialist report, the requirements as indicated in such notice will apply.	Comply with the Assessment Protocols that were published on 20 March 2020, in Government

	Gazette 43110, GN 320. This specifically includes Part A, which provides the Site Sensitivity Verification Requirements where a Specialist Assessment is required but no Specific Assessment Protocol has been prescribed. As at September 2020, there are no sensitivity layers on the Screening Tool for Socio-economic-features. Part A has therefore not been compiled for this assessment.

ACRONYMS

BA	Basic Assessment
DBSA	Development Bank of Southern Africa
DM	District Municipality
DEA&DP	Department of Environmental Affairs and Development Planning
EIA	Environmental Impact Assessment
EMP	Environmental Management Programme
HD	Historically Disadvantaged
HDI	Human Development Index
IDP	Integrated Development Plan
IPP	Independent Power Producer
IRP	Integrated Resource Plan
LED	Local Economic Development
LM	Local Municipality
MF	Monitoring Forum
MW	Megawatt
NCP	Northern Cape Province
NCPGDP	Northern Cape Provincial Growth and Development Plan
NDM	Namakwa District Municipality
NDP	National Development Plan
NKLM	Nama Khoi Local Municipality
RE	Renewable Energy
REDZ	Renewable Energy Development Zone
REF	Renewable Energy Facility
REIPPPP	Renewable Energy Independent Power Producers Procurement Programme
SDF	Spatial Development Framework
SEA	Strategic Environmental Assessment
SEF	Solar Energy Facility
SED	Socio-Economic Development
SIA	Social Impact Assessment
STD	Sexually Transmitted Disease
VIA	Visual Impact Assessment
WEF	Wind Energy Facility
WWF	World Wildlife Fund

TABLE OF CONTENTS

SECTION 1: INTRODUCTION

1.1 INTRODUCTION

FF De Rust (Pty) Ltd (hereafter the Applicant) proposes the development of two (2) wind energy facility (WEF) and two (2) solar energy facilities (SEF) and its associated infrastructure on a site located approximately 15km south of Pofadder. The sites are located in the within the Khâi-Ma Municipality (KMM), in the Northern Cape Province of South Africa. The study area is located outside the Springbok Renewable Energy Development Zone (REDZ) in the Northern Cape Province.

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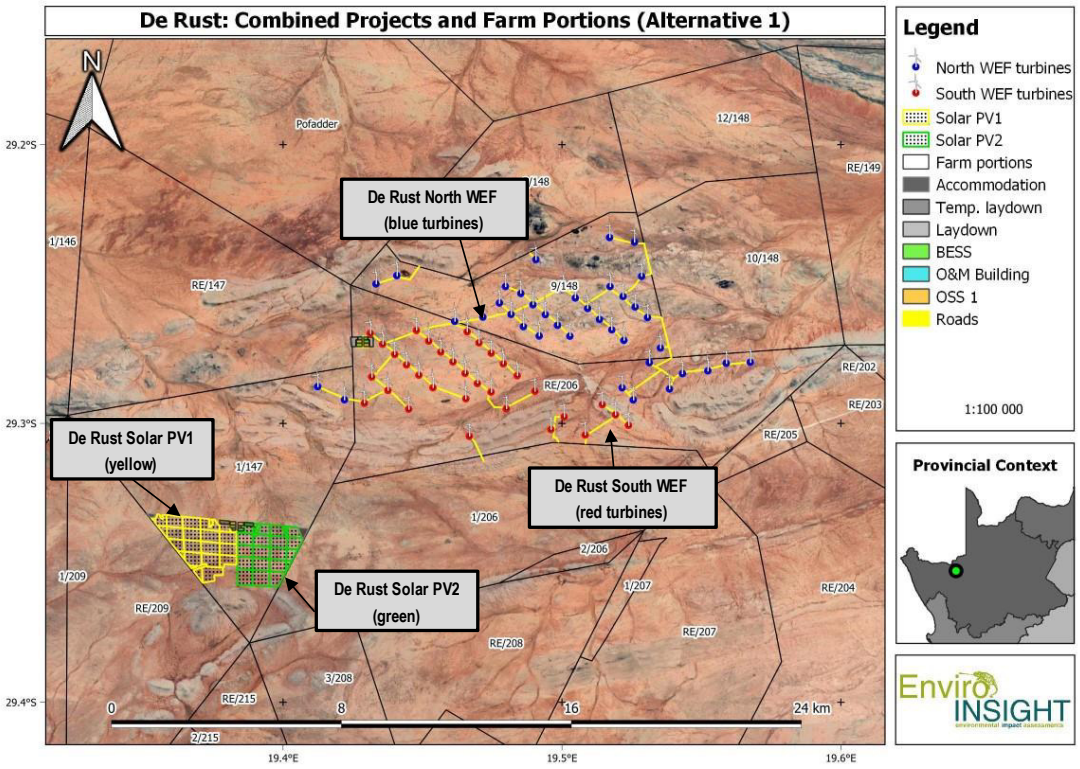

Figure 1.1: Regional locality of the study area. De Rust PV1 and PV2 SEFs (yellow area)

1.2 TERMS OF REFERENCE AND APPROACH TO STUDY

The terms of reference for the SIA require:

- A description of the environment that may be affected by the activity and the manner in which the environment may be affected by the proposed facility.
- A description and assessment of the potential social issues associated with the proposed facility.

- Identification of enhancement and mitigation aimed at maximising opportunities and avoiding and or reducing negative impacts.

The approach to the SIA is based on the Western Cape Department of Environmental Affairs and Development Planning (DEA&DP) Guidelines for Social Impact Assessment (DEA&DP, 2007). The key activities in undertaken as part of the SIA process as embodied in the guidelines included:

- Describing and obtaining an understanding of the proposed intervention (type, scale, and location), the settlements, and communities likely to be affected by the proposed project.
- Collecting baseline data on the current social and economic environment.
- Identifying the key potential social issues associated with the proposed project.
- Semi-structured interviews with key stakeholders and affected individuals and communities.
- Assessing and documenting the significance of social impacts associated with the proposed intervention.
- Consideration of other renewable energy projects that may pose cumulative impacts; and
- Identification of enhancement and mitigation measures aimed at maximizing opportunities and avoiding and or reducing negative impacts.

The identification of potential social issues associated with the proposed project is based on observations during previous site visits to the study area, review of relevant documentation, experience with similar projects and the general area. Annexure A contains a list of the key stakeholders interviewed and secondary information reviewed. Annexure B summarises the assessment methodology used to assign significance ratings to the assessment process.

1.3 PROJECT DESCRIPTION

The FF De Rust PV 1 and 2 SEFs are located on Portion 1 of the Farm Samoep 147 and will consist of:

- Solar PV array comprising fixed-tilt, single axis tracking, dual axis tracking, mono-facial or bi-facial PV technology (Photograph 1.1).
- Access roads.
- New internal service roads will need to be established and these would either comprise farm (compacted dirt/gravel) roads or be paved.
- Underground cabling (22-33 kV).
- On-site substation complex at each PV Facility including the following:
  - On-site Independent Power Producer (IPP) or Facility Substation (+-1 ha).
  - Battery Energy Storage System (discussed below).
  - Switching Station and Collector Station (this is the subject of a separate Environmental Assessment process).
- Overhead powerlines (132 kV) (this is the subject of a separate Environmental Assessment (EA) process).
- Laydown areas.
- Temporary site compound.
- Auxiliary buildings to be developed include, but are not limited to Operations and Maintenance (O&M) buildings, site offices, staff lockers, bathrooms, warehouses/workshops, guardhouses, etc.
- Battery energy storage systems (BESS) which could be either lithium-ion or redox flow technology only (Photograph 1.2).

It is the developer's intention to bid the proposed project under the Department of Mineral Resources and Energy's (DMRE's) Renewable Energy Independent Power

Producer Procurement (REIPPP) Programme (or similar programme), with the aim of evacuating the generated power into the national grid. This will aid in the diversification and stabilisation of the country's electricity supply, in line with the objectives of the Integrated Resource Plan (IRP).

Photograph 1.1: Typical PV SEF facility

Photograph 1.2: Example of BESS located in storage containers

1.4 ASSUMPTIONS AND LIMITATIONS

1.4.1 Assumptions

Technical suitability
It is assumed that the development site represents a technically suitable site for the establishment of the proposed SEF. The site is also located in the Northern Transmission Corridor.

Strategic importance of the project
The strategic importance of promoting renewable energy and associated infrastructure is supported by the national and provincial energy policies. However, this does not mean that site related issues can be ignored or overlooked.

Fit with planning and policy requirements
Legislation and policies reflect societal norms and values. The legislative and policy context therefore plays an important role in identifying and assessing the potential social impacts associated with a proposed development. In this regard a key component of the Socio-Economic Assessment process is to assess the proposed development in terms of its fit with key planning and policy documents. As such, if the findings of the study indicate that the proposed development in its current format does not conform to the spatial principles and guidelines contained in the relevant legislation and planning documents, and there are no significant or unique opportunities created by the development, the development cannot be supported. However, the study recognises the strategic importance of wind energy and the technical, spatial and land use constraints required for Renewable Energy Facilities (REFs). The site is also located in the Northern Transmission Corridor.

1.4.2 Limitations

Demographic data
Some of the information contained in some key policy and land use planning documents, such as IDPs etc., is based on the 2011 Census. These limitations do not have a material bearing on the findings of the Socio-Economic Assessment. In addition, information from the 2016 Community Survey has been added where it is available.

1.5 SPECIALIST DETAILS

Tony Barbour, the lead author of this report, is an independent specialist with 30 years' experience in the field of environmental management. In terms of SIA experience Tony Barbour has undertaken in the region of 300 SIAs and is the author of the Guidelines for Social Impact Assessments for EIA's adopted by the Department of Environmental Affairs and Development Planning (DEA&DP) in the Western Cape in 2007. Annexure C contains a copy of Tony Barbour's CV.

Schalk van der Merwe, the co-author of this report, has an MPhil in Environmental Management from the University of Cape Town and has worked closely with Tony Barbour over the last seventeen years.

1.6 DECLARATION OF INDEPENDENCE

This confirms that Tony Barbour and Schalk van der Merwe, the specialist consultants responsible for undertaking the study and preparing the SIA Report, are independent and do not have any vested or financial interests in the proposed power line being either approved or rejected. Annexure D contains a signed declaration of independence.

1.7 REPORT STUCTURE

The report is divided into five sections, namely:

- Section 1: Introduction.
- Section 2: Policy and planning context.
- Section 3: Overview of study area.
- Section 4: Identification and assessment of key issues.
- Section 5: Key Findings and recommendations.

SECTION 2: DESCRIPTION OF POLICY AND PLANNNIG CONTEXT

2.1 INTRODUCTION

Legislation and policy embody and reflect key societal norms, values and developmental goals. The legislative and policy context therefore plays an important role in identifying, assessing, and evaluating the significance of potential social impacts associated with any given proposed development. An assessment of the "policy and planning fit[1]" of the proposed development therefore constitutes a key aspect of the Socio-Economic Assessment. In this regard, assessment of "planning fit" conforms to international best practice for conducting SIAs. Furthermore, it also constitutes a key reporting requirement in terms of the applicable Western Cape DEA&DP's *Guidelines for Social Impact Assessment* (2007).

For the purposes of the meeting the objectives of the SIA the following national, provincial, and local level policy and planning documents were reviewed, namely:

- National Energy Act (2008).
- White Paper on the Energy Policy of the Republic of South Africa (December 1998).
- White Paper on Renewable Energy (November 2003).
- Integrated Resource Plan (IRP) for South Africa (2019).
- National Infrastructure Plan (NIP) (2012 and 2021).
- National Development Plan (2011).
- Strategic Environmental Assessment (SEA) for wind and solar PV energy in South Africa (CSIR, 2015).
- Northern Cape Provincial Growth and Development Plan (NCPGDP) (2014)
- Northern Cape Provincial Spatial Development Framework (NCSDF) (2012)
- Namakwa District Municipality Integrated Development Framework (2019/2020 Revision).
- Namakwa District Climate Change Response Plan (2017-2022).
- Khai-Ma Local Municipality Integrated Development Plan (2017-2022).

The section also provides a review of the renewable energy sector in South Africa.

2.1 NATIONAL POLICY ENVIRONMENT

2.1.1 National Energy Act (Act No 34 of 2008)

The National Energy Act was promulgated in 2008 (Act No 34 of 2008). One of the objectives of the Act was to promote diversity of supply of energy and its sources. In this regard, the preamble makes direct reference to renewable resources, including solar and wind:

[1] Planning fit" can simply be described as the extent to which any relevant development satisfies the core criteria of appropriateness, need, and desirability, as defined or circumscribed by the relevant applicable legislation and policy documents at a given time.

"To ensure that diverse energy resources are available, in sustainable quantities, and at affordable prices, to the South African economy, in support of economic growth and poverty alleviation, taking into account environmental management requirements (…); to provide for (…) increased generation and consumption of renewable energies" (Preamble).

2.1.2 White Paper on Energy Policy of the Republic of South Africa

Investment in renewable energy initiatives, such as the proposed SEF, is supported by the White Paper on Energy Policy for South Africa (December 1998). In this regard, the document notes:

"Government policy is based on an understanding that renewables are energy sources in their own right, are not limited to small-scale and remote applications, and have significant medium and long-term commercial potential".

"Renewable resources generally operate from an unlimited resource base and, as such, can increasingly contribute towards a long-term sustainable energy future".

The support for renewable energy policy is guided by a rationale that South Africa has a very attractive range of renewable resources, particularly ***solar*** and wind and that renewable applications are in fact the least cost energy service in many cases; more so when social and environmental costs are taken into account.

Government policy on renewable energy is thus concerned with meeting the following challenges:

- Ensuring that economically feasible technologies and applications are implemented.
- Ensuring that an equitable level of national resources is invested in renewable technologies, given their potential, and compared to investments in other energy supply options.
- Addressing constraints on the development of the renewable industry.

The White Paper also acknowledges that South Africa has neglected the development and implementation of renewable energy applications, despite the fact that the country's renewable energy resource base is extensive, and many appropriate applications exist.

2.1.3 White Paper on Renewable Energy

The White Paper on Renewable Energy (November 2003) (further referred to as the White Paper) supplements the *White Paper on Energy Policy*, which recognizes that the medium and long-term potential of renewable energy is significant. This Paper sets out Government's vision, policy principles, strategic goals, and objectives for promoting and implementing renewable energy in South Africa.

The White Paper notes that while South Africa is well endowed with renewable energy resources that have the potential to become sustainable alternatives to fossil fuels,

these have thus far remained largely untapped. As signatory to the Kyoto Protocol[2], Government is determined to make good the country's commitment to reducing greenhouse gas emissions. To this purpose, Government has committed itself to the development of a framework in which a national renewable energy framework can be established and operate.

South Africa is also a signatory of the Copenhagen Accord, a document that delegates at the 15th session of the Conference of Parties (COP 15) to the United Nations Framework Convention on Climate Change agreed to "take note of" at the final plenary on 18 December 2009. The accord endorses the continuation of the Kyoto Protocol and confirms that climate change is one of the greatest challenges facing the world. In terms of the accord South Africa committed itself to a reduction target of 34% compared to business as usual. In this regard, the IRP 2010 aims to allocate 43% of new energy generation facilities in South Africa to renewables.

Apart from the reduction of greenhouse gas emissions, the promotion of renewable energy sources is aimed at ensuring energy security through the diversification of supply (in this regard, also refer to the objectives of the National Energy Act).

Government's long-term goal is the establishment of a renewable energy industry producing modern energy carriers that will offer in future years a sustainable, fully non-subsidised alternative to fossil fuels.

2.1.4 Integrated Resource Plan (2019)

South Africa's National Development Plan (NDP) 2030 offers a long-term plan for the country. It defines a desired destination where inequality and unemployment are reduced, and poverty is eliminated so that all South Africans can attain a decent standard of living. Electricity is one of the core elements of a decent standard of living. In formulating its vision for the energy sector, the NDP took as a point of departure the Integrated Resource Plan (IRP) 2010–2030 promulgated in March 2011. The IRP is an electricity infrastructure development plan based on least-cost electricity supply and demand balance, taking into account security of supply and the environment (minimize negative emissions and water usage).

On 27 August 2018, the then Minister of Energy published a draft IRP which was issued for public comment (Draft IRP). Following a lengthy public participation and consultation process the Integrated Resource Plan 2019 (IRP 2019) was gazetted by the Minister of Mineral Resources and Energy, Gwede Mantashe, on 18 October 2019, updating the energy forecast for South Africa from the current period to the year 2030. The IRP is an electricity capacity plan which aims to provide an indication of the country's electricity demand, how this demand will be supplied and what it will cost.

[2] The Kyoto Protocol is a protocol to the United Nations Framework Convention on Climate Change (UNFCCC), aimed at fighting global warming. The UNFCCC is an international environmental treaty with the goal of achieving "stabilization of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system". The Protocol was initially adopted on 11 December 1997 in Kyoto, Japan and entered into force on 16 February 2005. As of November 2009, 187 states have signed and ratified the protocol (Wikipedia).

The IRP notes that South Africa is a signatory to the Paris Agreement on Climate Change and has ratified the agreement. The energy sector contributes close to 80% towards the country's total Green House Gas (GHG) emissions of which 50% are from electricity generation and liquid fuel production alone. A transmission from a fossil fuel-based energy sources is therefore critical to reducing GHG emissions. In September 2021 South Africa released its latest emission targets, indicating that it intended to limit Green House Gas (GHG) emissions to 398-510 MrCo2e by 2025, and 350-420 MrCo2e by 2030. These emissions are significantly lower than 2016 emission targets and will see South Africa's emissions decline in absolute terms from 2025, a decade earlier than planned (World Resource Institute, 2021).

The IRP (2019) notes that 39 730 MW of new generation capacity must be developed. Of the 39 730 MW determined, about 18 000 MW has been committed to date. This new capacity is made up of 6 422 MW under the REIPPP with a total of 3 876 MW operational on the grid. Under the Eskom build programme, the following capacity has been commissioned: 1 332MW of Ingula pumped storage, 1 588MW of Medupi, 800MW of Kusile and 100MW of Sere Wind Farm. In addition, IPPs have commissioned 1 005MW from two Open Cycle Gas Turbine (OCGT) peaking plants.1 005 MW from OCGT for peaking has also been commissioned (IRP 2019, page 14).

In terms of IRP (2019) provision has been made for the following new additional capacity by 2030:

- 1 500MW of coal.
- 2 500MW of hydro.
- 6 000MW of solar PV.
- 14 400MW of wind.
- 1 860MW of nuclear.
- 2 088MW for storage.
- 3 000MW of gas/diesel.
- 4 000MW from other distributed generation, co-generation, biomass and landfill technologies.

Figure 2.1 provides a summary of the allocations and commitments between the various energy sectors.

	Coal	Coal (Decommis-sioning)	Nuclear	Hydro	Storage	PV	Wind	CSP	Gas & Diesel	Other (Distributed Generation, CoGen, Biomass, Landfill)
Current Base	37,149		1 860	2,100	2 912	1 474	1 980	300	3 830	499
2019	2,155	-2,373					244	300		Allocation to the extent of the short term capacity and energy gap.
2020	1,433	-557				114	300			
2021	1,433	-1403				300	818			
2022	711	-844			513	400 1,000	1,600			
2023	750	-555				1000	1,600			500
2024			1,860				1,600		1000	500
2025						1000	1,600			500
2026		-1,219					1,600			500
2027	750	-847					1,600		2000	500
2028		-475				1000	1,600			500
2029		-1,694			1575	1000	1,600			500
2030		-1,050		2,500		1000	1,600			500
TOTAL INSTALLED CAPACITY by 2030 (MW)	33,364		1,860	4,600	5,000	8,288	17,742	600	6,380	
% Total Installed Capacity (% of MW)	43		2.36	5.84	6.35	10.52	22.53	0.76	8.1	
% Annual Energy Contribution (% of MWh)	58.8		4.5	8.4	1.2*	6.3	17.8	0.6	1.3	

Installed Capacity
Committed/Already Contracted Capacity
Capacity Decommissioned
New Additional Capacity
Extension of Koeberg Plant Design Life
Includes Distributed Generation Capacity for own use

- 2030 Coal Installed Capacity is less capacity decommissioned between years 2020 and 2030.
- Koeberg power station rated/installed capacity will revert to 1,926MW (original design capacity) following design life extension work.
- Other/ Distributed generation includes all generation facilities in circumstances in which the facility is operated solely to supply electricity to an end-use customer within the same property with the facility.
- Short term capacity gap is estimated at 2,000MW.

Figure 2.1: Summary of energy allocations and commitments based on the 2019 IRP

As indicated above, the changes from the Draft IRP capacity allocations see an increase in solar PV and wind, and a significant decrease in gas and diesel; and new inclusions include nuclear and storage.

In terms of renewable energy five bidding rounds have been completed for renewable energy projects under the RE IPP Procurement Programme. The most dominant technology in the IRP2019 is renewable energy from wind and solar PV technologies, with wind being identified as the stronger of the two technologies. There is a consistent annual allocation of 1 600MW for wind technology commencing in the year 2022 up to 2030. The solar PV allocation of 1 000MWs per year is incremental over the period 2022 to 2030, with no allocation in the years 2024 (being the year the Koeberg nuclear extension is expected to be commissioned) and the years 2026 and 2027 (presumably since 2 000MW of gas is expected in the year 2027). The IRP 2019 states that although there are annual build limits, in the long run such limits will be reviewed to take into account demand and supply requirements.

2.1.5 National Development Plan

The National Development Plan (NDP) contains a plan aimed at eliminating poverty and reducing inequality by 2030. The NDP identifies 9 key challenges and associated remedial plans. Managing the transition towards a low carbon national economy is identified as one of the 9 key national challenges. Expansion and acceleration of commercial renewable energy is identified as a key intervention strategy.

2.1.6 New Growth Path Framework

Government released the New Economic Growth Path Framework on 23 November 2010. The aim of the framework is to enhance growth, employment creation and equity. The policy's principal target is to create five million jobs over the next 10 years and reflects government's commitment to prioritising employment creation in all economic policies. The framework identifies strategies that will enable South Africa to grow in a more equitable and inclusive manner while attaining South Africa's developmental agenda. Central to the New Growth Path is a massive investment in infrastructure as a critical driver of jobs across the economy. In this regard the framework identifies investments in five key areas namely: ***energy***, transport, communication, water, and housing.

The New Growth Path also identifies five other priority areas as part of the programme to create jobs, through a series of partnerships between the State and the private sector. The Green Economy is one of the five priority areas, including expansions in construction and the production of technologies for solar, wind and biofuels. In this regard clean manufacturing and environmental services are projected to create 300 000 jobs over the next decade.

2.1.7 National Infrastructure Plan

Government adopted a National Infrastructure Plan (NIP) in 2012. The aim of the plan is to transform the economic landscape while simultaneously creating significant numbers of new jobs and strengthening the delivery of basic services. The aim of the NIP is support investments is to improve access by South Africans to healthcare facilities, schools, water, sanitation, housing and electrification. The plan also notes that investment in the construction of ports, roads, railway systems, ***electricity plants***, hospitals, schools, and dams will contribute to improved economic growth.

As part of the National Infrastructure Plan, Cabinet established the Presidential Infrastructure Coordinating Committee (PICC). The Committee identified and developed 18 strategic integrated projects (SIPS). The SIPs cover social and economic infrastructure across all nine provinces (with an emphasis on lagging regions) and included three energy SIPs, namely SIP 8, 9 and 10.

- SIP 8: Green energy in support of the South African economy.
- SIP 9: Electricity generation to support socio-economic development.
- SIP 10: Electricity transmission and distribution for all.

The NIP 2050 was gazetted for public comment on 10 August 2021[3]. The first phase of the NIP 2050 focuses on four critical network sectors that provide a platform, namely, energy, freight transport, water, and digital infrastructure. In line with the NDP, the vision for the energy sector is to promote:

- Economic growth and development through adequate investment in energy infrastructure" (generation, transmission, and distribution) and reliable and efficient energy service at competitive rates, while supporting economic growth through job creation by stimulating supply chains.
- Social equity through expanded access to energy at affordable tariffs and through targeted, sustainable subsidies for needy households.

[3] Gazette No. 44951

- Environmental sustainability through efforts to reduce pollution, reduce water usage and mitigate the effects of climate change.

The NIP 2050 notes that by 2030, the NDP set a target that more than 90% of the population should enjoy access to grid connected or off-grid electricity by 2030. To realise this vision, South Africa's energy system will be supported by effective policies, institutions, governance systems, regulation and, where appropriate, competitive markets. In terms of energy mix, NIP 2050 notes that coal will contribute significantly less to primary-energy needs in the future, while gas will have an important enabling role, energy supply will be ***increasingly dominated by renewable energy resources– especially wind and solar which are least cost and where South Africa has a comparative advantage.***

NIP 2050 also notes that South Africa is signatory of the Paris Agreement which aims to achieve Net Zero greenhouse gas emissions by 2050. To achieve this will require a shift to a least cost energy path that is increasingly reliant on renewables. For South Africa this is imperative for the following reasons:

- SA cannot afford to overspend while dramatically expanding capacity
- Renewables can be built quickly and in modular form thereby avoiding many of the challenges associated with mega projects.
- Trade partners are expected to increasingly impose border carbon taxes harming SA exports.
- SA will need to commit to emission reductions as a global citizen.

2.1.8 Strategic Environmental Assessment (SEA) for Wind and Solar PV energy in South Africa

The Strategic Environmental Assessment (SEA) for wind and solar PV energy in South Africa (CSIR, 2015) identified eight (8) ***Renewable Energy Development Zones*** (REDZs) (Phase 1 REDZs). The REDZs identified areas where large scale wind energy facilities can be developed in a manner that limits significant negative impacts on the environment while yielding the highest possible socio-economic benefits to the country. On 17 February 2016, the Cabinet of the Republic of South Africa (Cabinet) approved the gazetting of Renewable Energy Development Zones (REDZs). 8 REDZs and 5 Power Corridors have been identified. On 26 February 2021, Minister Barbara Dallas Creecy, published Government Notice No. 142, 144 and 145 in Government Gazette No. 44191 which identified 3 additional REDZs (Phase 2 REDZs) for implementation as well as the procedures to be followed when applying for environmental authorisation for electricity transmission or distribution infrastructure or large-scale wind and solar photovoltaic energy facilities in these REDZs. The total number of REDZ is therefore 11 (Figure 2.2). The proposed project is located immediately to the east of the Springbok REDZ, within the Northern Transmission Corridor.

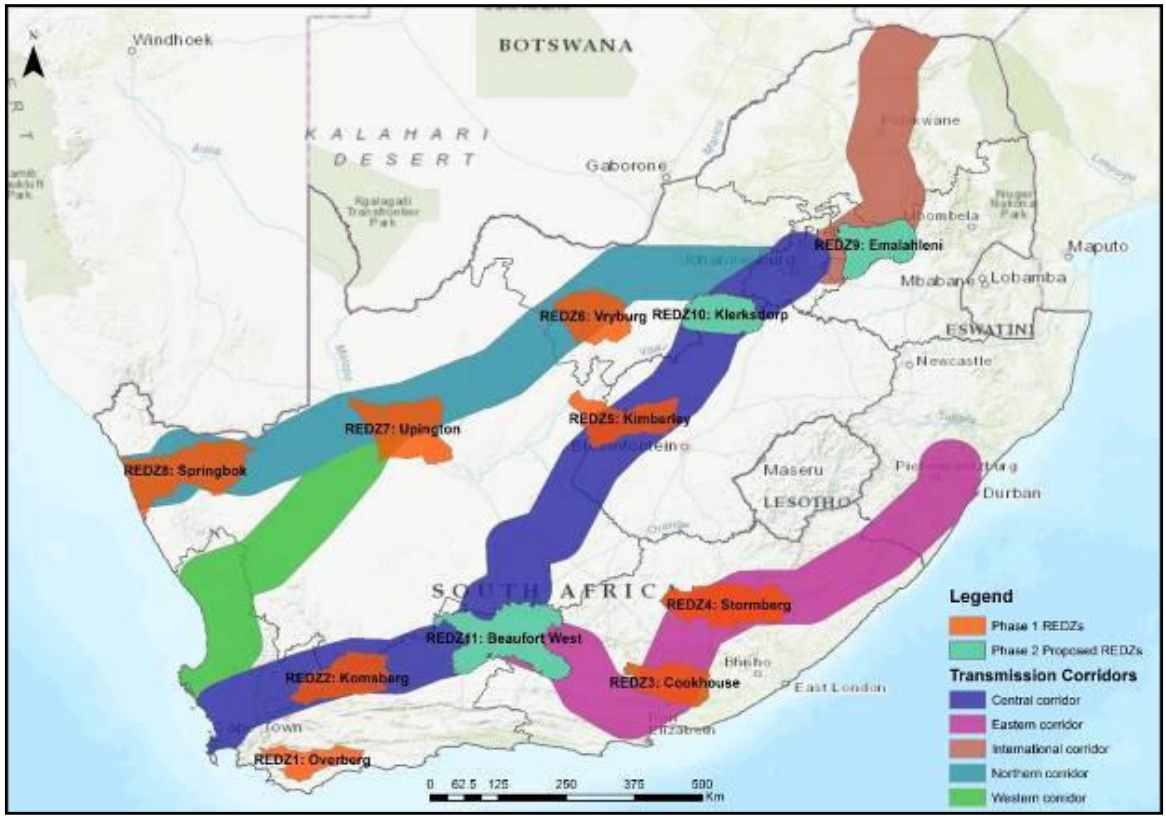

Figure 2.2: Location of Renewable Development Zones and Transmission Corridors in South Africa *(Source CSIR)*

2.2 PROVINCIAL AND LOCAL POLICY ENVIRONMENT

2.2.1 Northern Cape Province Provincial Growth and Development Strategy

The NCPGDS identifies poverty reduction as the most significant challenge facing the government and its partners. All other societal challenges that the province faces emanate predominantly from the effects of poverty. The NCPGDS notes that the only effective way to reduce poverty is through long-term sustainable economic growth and development. The sectors where economic growth and development can be promoted include:

- Agriculture and Agro-processing.
- Fishing and Mariculture.
- Mining and mineral processing.
- Transport.
- Manufacturing.
- Tourism.

However, the NCPGDS also notes that economic development in these sectors also requires:

- Creating opportunities for lifelong learning.
- Improving the skills of the labour force to increase productivity.
- Increasing accessibility to knowledge and information.

The achievement of these primary development objectives depends on the achievement of a number of related objectives that, at a macro-level, describe necessary conditions for growth and development. These are:

- Developing requisite levels of human and social capital.
- Improving the efficiency and effectiveness of governance and other development institutions.
- Enhancing infrastructure for economic growth and social development.

Of specific relevance to the Socio-Economic Assessment the NCPGDS make reference to the need to ensure the availability of inexpensive energy. The section notes that in order to promote economic growth in the Northern Cape the availability of electricity to key industrial users at critical localities at rates that enhance the competitiveness of their industries must be ensured. At the same time, the development of new sources of energy through the promotion of the adoption of energy applications that display a synergy with the province's natural resource endowments must be encouraged. In this regard the NCPGDS notes "the development of energy sources such as solar energy, the natural gas fields, bio-fuels, etc., could be some of the means by which new economic opportunity and activity is generated in the Northern Cape". The NCPGDS also highlights the importance of close co-operation between the public and private sectors in order for the economic development potential of the Northern Cape to be realised.

The NCPGDS also highlights the importance of enterprise development, and notes that the current levels of private sector development and investment in the Northern Cape are low. In addition, the province also lags in the key policy priority areas of SMME Development and Black Economic Empowerment. The proposed SEF therefore has the potential to create opportunities to promote private sector investment and the development of SMMEs in the Northern Cape Province.

In this regard care will need to be taken to ensure that the proposed SEF and other REFs do not negatively impact on the region's natural environment. In this regard the NCPGDS notes that the sustainable utilisation of the natural resource base on which agriculture depends is critical in the Northern Cape with its fragile eco-systems and vulnerability to climatic variation. The document also indicates that due to the provinces exceptional natural and cultural attributes, it has the potential to become the preferred adventure and ecotourism destination in South Africa. Care therefore needs to be taken to ensure that the development of large renewable energy projects, such as the proposed solar energy facility, do not affect the tourism potential of the province.

2.2.2 Northern Cape Spatial Development Framework

Northern Cape Provincial Spatial Development Framework (NCSDF) (2012) lists a number of sectoral strategies and plans are to be read and treated as key components of the PSDF. Of these there are a number that are relevant to the proposed STPs. These include:

- Sectoral Strategy 1: Provincial Growth and Development Strategy of the Provincial Government.
- Sectoral Strategy 2: Comprehensive Growth and Development Programme of the Department of Agriculture, Land Reform and Rural Development.

- Sectoral Strategy 5: Local Economic Development (LED) Strategy of the Department of Economic Development and Tourism.
- Sectoral Strategy 11: Small Micro Medium Enterprises (SMME) Development Strategy of the Department of Economic Development and Tourism.
- Sectoral Strategy 12: Tourism Strategy of the Department of Economic Development and Tourism.
- Sectoral Strategy 19: Provincial renewable energy strategy (to be facilitated by the Department of Economic Development and Tourism).

Under Section B 14.4, Energy Sector, the NCSDF (2012), notes the total area of high radiation in South Africa amounts to approximately 194 000 km^2 of which the majority falls within the Northern Cape. It is estimated that, if the electricity production per km^2 of mirror surface in a solar thermal power station were 30.2 MW and only 1% of the area of high radiation were available for solar power generation, then generation potential would equate to approximately 64 GW. A mere 1.25% of the area of high radiation could thus meet projected South African electricity demand in 2025 (80 GW) (NCPSDF, 2012). However, the SDF does indicate that this would require large investments in transmission lines from the areas of high radiation to the main electricity consumer centres.

Section C8.2.3, Energy Objectives, sets out the energy objectives for the Northern Cape Province. The section makes specific reference to renewable energy. The objectives are listed below:

- Promote the development of renewable energy supply schemes. Large-scale renewable energy supply schemes are strategically important for increasing the diversity of domestic energy supplies and avoiding energy imports while minimizing detrimental environmental impacts.
- Develop and institute innovative new energy technologies to improve access to reliable, sustainable, and affordable energy services with the objective to realize sustainable economic growth and development. The goals of securing supply, providing energy services, tackling climate change, avoiding air pollution, and reaching sustainable development in the province offer both opportunities and synergies which require joint planning between local and provincial government as well as the private sector.
- Develop and institute energy supply schemes with the aim to contribute to the achievement of the targets set by the White Paper on Renewable Energy (2003). This target relates to the delivery of 10 000 GWh of energy from renewable energy sources (mainly biomass, wind, solar, and small-scale hydro) by 2013.

Section C8.3.3, Energy Policy, sets out the policy guidelines for the development of the energy sector, with specific reference to the renewable energy sector.

- The construction of infrastructure must be strictly regulated in terms of the spatial plans and guidelines put forward in the PSDF. They must be carefully placed to avoid visual impacts on landscapes of significant symbolic, aesthetic, cultural or historic value and should blend in with the surrounding environment to the extent possible.
- EIAs undertaken for such construction must assess the impacts of such activities.

2.2.3 Namakwa District Municipality Integrated Development Plan

The Namakwa District Municipality IDP (2019/2020) notes that the vision of the Namakwa DM is: 'Namakwa District, the centre of excellence'. The Mission statement for the MD includes:

- Stimulating radical economic and social transformation.
- Fostering partnerships with relevant role-players.
- Supporting and capacitating local municipalities.
- Maintaining transparent and accountable processes.
- Providing local leadership.

Key developmental issues facing the DM include:

- The DM has a large cohort of people in the economically active age category (15-64). This highlights the need for local employment creation.
- The youthful population group (15-34) has increased by 2.4%, further emphasizing the need for local employment creation.
- Between 2004 and 2014, the urbanization rate in the DM has increased from 77.3% to 91.2% and that in the NKLM from 88.4% to 95.3%. These increases in urbanization have increased pressure on local authorities to provide municipal and social services.
- The DM's economic outlook is depressed. This is linked to limited new mining activity and the ongoing drought.

Key developmental priorities identified for the DM include:

- Economic diversification, specifically the development of local agricultural and mining manufacturing sectors.
- New mining and renewable energy projects should be supported.

The IDP notes support for the commitments made in terms of the Paris Accord on Climate Change. The IDP notes that the DM is located in an arid region, prone to droughts, and therefore very vulnerable to global warming.

2.2.4 Namakwa District Climate Change Response Plan

The Namakwa District Climate Change Response Plan (2017-2022) was developed through the Local Government Climate Change Support program. It includes a climate change vulnerability assessment and associated climate change responses which address these vulnerabilities. The vulnerability assessment identified 17 of the DM's socio-economic indicators which are both very exposed and highly sensitive to climate change but have very low capacity to adapt. These included the agricultural sector, tourism, water-dependent municipal services and the coastal and marine environment.

Priority responses are identified for the key sectors, including agriculture, biodiversity and habitat conservation, human health, and human settlements. These include mainstreaming climate change preparedness into all future IDPs, and implementation of a Namakwa Renewable Energy Strategy which supports the development and use of non-fossil sources of energy.

2.2.5 Khai-Ma Integrated Development Plan 2017-2022

The IDP lists five Key Performance Areas (KPAs) developed to guide how the municipality must respond to the identified (and prioritised) community needs and challenges. The objectives are listed and linked to outcomes, predetermined objectives (PDO) and aligned with the higher order 'performance directives. The SOs are:

- KPA 1 Infrastructure Development and Basic Service Delivery.
- KPA 2 Institutional Development and Transformation.
- KPA 3 Economic Development.
- KPA 4 Financial sustainable and viability.
- KPA 5 Good governance and public participation.

KPA 1 and 3 are relevant to the project.

Strategic Objective 1 Infrastructure Development and Basic Service Delivery
Outcome: Water, sanitation, refuse removal, roads, storm water, public transport, electricity, land, and housing.

IDP Strategic Objective 3 Economic Development
Outcome: Local Economic Development (LED), food security, social infrastructure, health, environment, education, and skills development

The IDP also notes that the LED strategy is underpinned by a number of LED policy pillars/thrusts that are relevant to the project, namely:

Building a Diverse Economic Base including
- Sectoral development (Manufacturing, Agriculture, Tourism, Green Economy).

Developing Learning and Skilful Local Economies: - Tackling basic skill Gap
- Developing workforce skills.
- Developing Leadership and Management Skills.

Developing Inclusive Economies
- Inclusive Rural Economy.
- Youth and Woman Economic Development.

Enterprise Development and Support
- Small, Medium and Micro Enterprises.
- Youth and Woman Enterprises.

Business Development Support
- Improving Economic Leadership and Management Capacity.
- Administrative Economic Development Capacity.

2.3 OVERVIEW RENEWABLE ENERGY SECTOR IN SOUTH AFRICA

The section below provides an overview of the potential benefits associated with the renewable energy sector in South Africa. Given that South Africa supports the development of renewable energy at national level, the intention is not to provide a critical review of renewable energy. The focus is therefore on the contribution of renewable energy, specifically in terms of supporting economic development.

The following documents were reviewed:

- Independent Power Producers Procurement Programme (IPPPP): An Overview (December 2021), Department of Energy, National Treasury and DBSA.
- Green Jobs Study (2011), IDC, DBSA Ltd and TIPS.
- Powering the Future: Renewable Energy Roll-out in South Africa (2013), Greenpeace South Africa.
- WWF SA, Renewable Energy Vision 2030, South Africa, 2014.
- Jacqueline M. Borel-Saladin, Ivan N. Turok, (2013). The impact of the green economy on jobs in South Africa), South African Journal of Science, *Volume 109 /Number 9/10, September/October 2013.*
- The potential for local community benefits from wind farms in South Africa, Louise Tait (2012), Master's Thesis, Energy Research Centre University of Cape Town.

2.3.1 Independent Power Producers Procurement Programme (IPPPP): An Overview

The document presents an overview of the Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) undertaken by the Department of Energy, National Treasury, and the Development Bank of South Africa in December 2021. The programme's primary mandate is to secure electrical energy from the private sector for renewable and non-renewable energy sources. With regard to renewables, the programme is designed to reduce the country's reliance on fossil fuels, stimulate an indigenous renewable energy industry and contribute to socio-economic development and environmentally sustainable growth. The IPPPP has been designed not only to procure energy but has also been structured to contribute to the broader national development objectives of job creation, social upliftment and broadening of economic ownership.

The Integrated Resource Plan for electricity (IRP) provides South Africa's long-term plan for electricity generation. It primarily aims to ensure security of electricity supply, minimise the cost of that supply, limit water usage and reduce greenhouse gas (GHG) emissions, while allowing for policy adjustment in support of broader socio-economic developmental imperatives. The IRP 2019 was promulgated in October 2019 and replaced the IRP 2010 as the country's official electricity infrastructure plan.

It calls for 37 696MW of new and committed capacity to be added between 2019 and 2030 from a diverse mix of energy sources and technologies as ageing coal plants are decommissioned and the country transitions to a larger share of renewable energy. By2030, the electricity generation mix is set to comprise of 33 364MW (42.6%) coal, 17 742MW (22.7%) wind, 8 288MW (10.6%) solar photovoltaic (PV), 6 830MW(8.7%) gas or diesel, 5 000MW (6.4%) energy storage, 4 600MW (5.9%) hydro, 1 860MW (2.4%) nuclear and 600MW (0.8%) concentrating solar power (CSP). Additionally, a short-term gap at least 2000MW is to be filled between 2019 and 2022, thereby further raising new capacity requirements, while distributed or embedded generation for own-use is positioned to add 4 000MW between 2023 and 2030. The IRP is intended to be frequently updated, which could impact future capacity allocations from various energy sources and technologies.

Energy supply

By the end of December 2021, the REIPPPP had made the following significant impacts.

- 6 323 MW of electricity had been procured from 92 RE Independent Power Producers (IPPs) in BW1-4.
- 5 661 MW of electricity generation capacity from 85 IPP projects has been connected to the national grid.
- 71 073GWh of energy has been generated by renewable energy sources procured under the REIPPPP since the first project became operational in November 2013.

Renewable energy IPPs have proved to be very reliable. Of the 85 projects that have reached COD, 77 projects have been operational for longer than a year. The energy generated over the past 12-month period for these 77 projects is 14 117GWh, which is 95% of their annual energy contribution projections (P50) of 14 924GWh over a 12-month delivery period. Thirty-one (31) of the 77 projects (40%) have individually exceeded their P50 projections.

Comparatively, the following statistics were presented at the REIPPPP Bid Window 6 Bidders Conference on 7 July 2022 by the IPP Office based on data as of March 2022 following seven bid rounds (IPP Office, 2022[4]):

- 92 IPPs have been selected as preferred bidders.
- 6 323 MW of electricity capacity procured.
- 5 826 MW already operational from 87 IPPs.
- 74 805 GWh energy generated by Renewable Energy sources.

Energy costs

In line with international experience, the price of renewable energy is increasingly cost competitive when compared with conventional power sources. The REIPPPP has effectively captured this global downward trend with prices decreasing in every bid window. Energy procured by the REIPPPP is progressively more cost effective and has approached a point where the wholesale pricing for new coal-and renewable-generated energy intersect.

Through the competitive bidding process, the IPPPP effectively leveraged rapid, global technology developments and price trends, buying clean energy at lower and lower rates with every bid cycle, resulting in SA getting the benefit of renewable energy at some of the lowest tariffs in the world. The price for wind power has dropped by 50% to R0.94/kWh, while solar PV has dropped with 75% to R1.14/kWh between BW1 and BW4.

Prices contracted under the REIPPPP for all technologies are well below the published REFIT prices. The REIPPPP has effectively translated policy and planning into delivery of clean energy at very competitive prices. As such it is contributing to the national aspirations of secure, affordable energy, lower carbon intensity and a transformed 'green' economy. with the BW4 price directly comparable with the per kWh price of new coal generation. Solar PV has dropped most significantly with a price decrease of 75% to R1.10/kWh between BW1 and BW4. This compares with the industry estimates in April 2020 of R1.45/kWh for Medupi. Considering the on-going delays incompletion, indications are that these costs may even be significantly higher.

[4] IPP Office (2022). RENEWABLE ENERGY INDEPENDENT POWER PRODUCER PROCUREMENT PROGRAMME (REIPPPP) BID WINDOW 6 BIDDERS' CONFERENCE, 7 JULY 2022 [online]. Accessed July 2022. https://www.ipp-renewables.co.za/PressCentre/GetPressRelease?fileid=16a21004-f9fd-ec11-9578-2c59e59ac9cd&fileName=BW6%20Bidders%20Conference%20Consolidated.pdf.

Investment
The document notes that the REIPPPP has attracted significant investment in the development of the REIPPs into the country. The total investment (total project costs[5]), including interest during construction, of projects under construction and projects in the process of closure is R209.6 billion (this includes total debt and equity of R209 billion, as well as early revenue and VAT facility of R0.5 billion).

The REIPPPP has attracted R42 billion in foreign investment and financing in the seven bid windows (BW1 – BW4). This is almost double the inward FDI attracted into South Africa during 2015 (R22.6 billion). The document notes that the share of foreign investment and equity showed an increase in the most recent bid window (2S2), suggesting that the REIPPPP continued to generate investor confidence despite the poor economic conditions in South Africa in recent years.

Comparatively, based on the information presented at the REIPPPP Bid Window 6 Bidders Conference on 7 July 2022 by the IPP Office (IPP Office, 2022), approximately R209.6 billion investment has been attracted for energy infrastructure in all bid windows; and as at March 2022 an actual R1.9 billion contribution was realised for socio-economic development.

South African citizen shareholding
The importance of retaining local shareholding in IPPs is key condition of the procurement requirements. The RFP notes that bidders are required to have South African Equity Participation of 40% in order to be evaluated. South African (local) equity shareholding across BW1-4 equates to 52% (R31.4 billion) of the total equity shareholding (R61.0 billion) was held by South African's across BW1 to BW4, 1S2 and 2S2. This equates to substantially more than the 40% requirement. Foreign equity amounts to R29.6 billion and contributes 49% of total equity.

The REIPPPP also contributes to Broad Based Black Economic Empowerment (BBBEE) and the creation of black industrialists. In this regard, Black South Africans own, on average, 34% of projects that have reached financial close (BW1-BW4), which is 4% higher than the 30% target. This includes black people in local communities that have ownership in the IPP projects that operate in or near their communities and represents the majority share of total South African Entity Participation.

On average, black local communities own 9% of projects that have reached financial close. This is well above the 5% target. In addition, an average of 21% shareholding by black people in engineering, procurement, and construction (EPC) contractors has been attained for projects that have reached financial closure. This is higher than 20% target. The shareholding by black people in operating companies of IPPs has averaged 30% (against the targeted 20%) for the 85 projects in operation (i.e. in BW1–4).

The target for shareholding by black people in top management has been set at 40%, with an average 68% achieved to date. The target has therefore been significantly exceeded.

Community shareholding and community trusts
The regulations require a minimum ownership of 2.5% by local communities in IPP projects as a procurement condition. This is to ensure that a substantial portion of the

[5] Total project costs means the total capital expenditure to be incurred up to the commercial operations date in the design, construction, development, installation, and or commissioning of the project)

investments has been structured and secured as local community equity. An individual community's dividends earned will depend on the terms of each transaction corresponding with the relevant equity share. To date all shareholding for local communities have been structured through the establishment of community trusts. For projects in BW1 to BW4, qualifying communities will receive R25.5 billion net income over the life of the projects (20 years). The report notes that the bulk of the money will however only start flowing into the communities from 2028 due to repayment obligations in the preceding years (repayment obligations are mostly to development funding institutions). However, despite the delay this represents a significant injection of capital into mainly rural areas of South Africa. If the net projected income for the first seven bid windows (BW1-BW4) was structured as equal payments overtime, it would represent an annual net income of R1.27 billion per year.

Income to all shareholders only commences with operation of the facility. Revenue generated to date by the 85 operational IPPs amounts to R149.9 billion.

Procurement spend

In addition to the financial investments into the economy and favourable equity structures aimed at supporting BEE, the REIPPPP also targets broader economic and socio-economic investment. This is through procurement spend and local content.

The total projected procurement spend for BW1 to BW4 during the construction phase was R71.1 billion, while the projected operations procurement spend over the 20 years operational life is estimated at 75.2 billion. The combined (construction and operations) procurement value is projected as R146.3 billion of which R92.1 billion has been spent to date. For construction, of the R71.1 billion already spent to date, R71 billion is from the 85 projects which have already been completed. These 85 projects had planned to spend R64.2 billion. The actual procurement construction costs have therefore exceeded the planned costs by 11% for completed projects.

Preferential procurement

The share of procurement that is sourced from Broad Based Black Economic Empowered (BBBEE) suppliers, Qualifying Small Enterprises (QSE), Exempted Micro Enterprises (EME) and women owned vendors are tracked against commitments and targeted percentages. The IA target requirement for BBBEE is 60% of total procurement spend. However, the actual share of procurement spend by IPPs from BBBEE suppliers for construction and operations combined is currently reported as 83%, which is significantly higher than the target of 60%, but also the 71% that had been committed by IPPs. BBBEE, as a share of procurement spend for projects in construction, is also reported as 84% with operations slightly lower at 74%.

The majority of the procurement spend to date has been for construction purposes. Of the R76 billion spent on procurement during construction, R64.3 billion has reportedly been procured from BBBEE suppliers, achieving 84.6% of total procured. Actual BBBEE spend during construction for BW1 and BW2 alone was R25.5 billion, 81% more than the 14.1 billion planned by the IPPs. The R64.3 billion spent on BBBEE during construction is 30% more than the R49.7 billion that had originally been anticipated by all IPPs procured in BW1-4.

Total procurement spend by IPPs from QSE and EMEs has amounted to R28.1 billion (construction and operations) to date, which exceeds commitments by 250% and is 30% of total procurement spend to date (while the required target is 10%). QSE and EME's procurement spend for construction was 31% of construction procurement to date and 26% of operational procurement, exceeding the 10% targets set. QSE and

EME share of construction procurement spend totals R23.8 billion, which is 5.4 times the planned spend for construction of R4.4 billion during this procurement phase.

In terms of procurement from women-owned vendors to date, 5% of total construction procurement spend has been from woman-owned vendors (against a targeted 5%), and 6% of operational procurement spend has been realised from woman-owned vendors to date, thereby exceeding the targeted 5%. In terms of construction spend, R 4.1 billion was undertaken by women-owned vendors, which is almost double the R 1.8 billion expected to be spent for the construction of projects that have reached financial close.

The REIPPPP has therefore created significant employment opportunities for black South African citizens and local communities beyond planned targets. This highlights the importance of the programme in terms of employment equity and the creation of more equal societies.

Local Content[6]

The report notes that the REIPPP programme represents the country's most comprehensive strategy to date in achieving the transition to a greener economy. Local content minimum thresholds and targets were set higher for each subsequent bid window. The report notes that for a programme of this magnitude, with construction procurement spend alone estimated at R71.1 billion, the result is a substantial stimulus for establishing local manufacturing capacity. The local content strategy has created the required incentives for a number of international technology and component manufactures to establish local manufacturing facilities.

The documents notes that for the portfolio as a whole, the expectation would reasonably be for local content spend to fall between 25% and 65% of the total project value (considering the range of targets and minimum requirements). Local content commitments by IPPs amount to R66.3 billion or 45% of total project value (R148.2 billion for all bid windows).

Actual local content spend reported for IPPs that have started construction amounts to R63.3 billion against a corresponding project value (as realised to date) of R127.2 billion. This means that 50% of the project value has been locally procured, exceeding the 45% commitment from IPPs and the thresholds for BW1 – BW4 (25-45%).

To date, the R63.3 billion local content spend reported by active IPPs is already 96% of the R66 billion local content expected. This is with 6 projects still in construction, and 85 of the 91 active projects having reached COD (i.e. 93% of the active portfolio complete). For the 85 projects that have reached COD, local content spend has been R 58.72 billion of a committed R58.67 billion, which is 0.1 more than the planned local spend.

Leveraging employment opportunities

To date, a total of 63 291 job years[7] have been created for South African citizens, of which 48 110 job years were in construction and 15 182 in operations. These job years should rise further past the planned target as more projects enter the construction

[6] Local content is expressed as a % of the total project value and not procurement or total project costs.

[7] The equivalent of a full-time employment opportunity for one person for one year

phase. Employment opportunities across BW1-4 are 143% of the planned number during the construction phase (i.e. 33 707 job years), with 6 projects still in construction and employing people. The number of employment opportunities is therefore likely to continue to grow beyond the original expectations.

By the end of December 2021, 85 projects had successfully completed construction and moved into operation. These projects created 44 172 job years of employment, compared to the anticipated 30 488. This was 45% more than planned.

The report notes that employment thresholds and targets were consistently exceeded across the entire portfolio. The average share of South African citizens of total South Africa based employees for BW1 – BW4 was 91% during construction (against a target of 80%), while it was 96% during operations for BW1 – BW4 (against a target of 80%). The report notes that the construction phase offers a high number of opportunities over shorter durations, while the operations phase requires fewer people, but over an extended operating period.

To date, 48 110 job years for SA citizens were achieved during construction, which is 43% above the planned 33 707 job years for active projects. These job years are expected to rise further since 6 projects are still in construction.

In terms of benefits for local communities, significantly more people from local communities were employed during construction than was initially planned. For active projects, the expectation for local community participation was 13 284 job years. To date 25 272 job years have been realised (i.e. 90% more than initially planned), with 6 projects still in, or entering, construction. The number of black SA citizens employed during construction also exceeded the planned numbers by 74%.

Black South African citizens, youths and rural or local communities have been the major beneficiaries during the construction phases, as they respectively represent 81%, 44% and 48% of total job opportunities created by IPPs to date. However, woman and disabled people could still be significantly empowered as they represent a mere 10% and 0.4% of total jobs created to date, respectively. Nonetheless, the fact that the REIPPPP has raised employment opportunities for black South African citizens and local communities beyond planned targets, indicates the importance of the programme to employment equity and the drive towards more equal societies.

The share of black citizens employed during construction (81%) and the early stages of operations (85%) has significantly exceeded the 50% target and the 30% minimum threshold. Likewise, the share of skilled black citizens (as a percentage of skilled employees) for both construction (71%) and operations (82%) has also exceeded the 30% target and minimum threshold of 18%. The share of local community members as a share of SA-based employees was 48% and 70% for construction and operations respectively – significantly exceeding the minimum threshold of 12% and the target of 20%.

Socio-economic development (SED) contributions

An important focus of the REIPPPP is to ensure that the build programme secures sustainable value for the country and enables local communities to benefit directly from the investments attracted into the area. In this regard, IPPs are required to contribute a percentage of projected revenues accrued over the 20-year project operational life toward SED initiatives. These contributions accrue over the 20-year

project operation life and are used to invest in housing and infrastructure as well as healthcare, education, and skills development.

The minimum compliance threshold for SED contributions is 1% of the revenue with 1.5% the targeted level over the 20-year project operational life. For the current portfolio of projects, the average commitment level is 2%, which is 101% higher than the minimum threshold level. To date (across BW1-4) a total contribution of R22.8 billion has been committed to SED initiatives. Assuming an even, annual revenue spread, the average contribution per year would be R1.1 billion. Of the total commitment, R18.5 billion is specifically allocated for local communities where the IPPs operate. With every new IPP on the grid, revenues and the respective SED contributions will increase.

As a percentage of revenue, SED obligations become effective only when operations commence, and revenue is generated. Of the 91 IPPs that have reached financial close (BW1–BW4), 85 are operational. The SED contributions associated with these 85 projects has amounted to R 1.8 billion to date.

In terms of ED and SED spend, education, social welfare, and health care initiatives have a SED focus. SED spend on education has been almost double the expenditure on enterprise development. This is despite enterprise development being a stand-alone commitment category in terms of the IA. This is, in part, due to the fact that some early childhood development programmes have also been incorporated in educational programmes. IPPs have supported 1 388 education institutions with a total of R437 million in contributions, from 2015 to the end of June 2021. A total of 1 276 bursaries, amounting to R210.8 million, have been awarded by 67 IPPs from 2015 until the end of June 2021. The largest portion of the bursaries were awarded to African and Coloured students (97.4%), with women and girls receiving 56.3% of total bursaries. The Northern Cape province benefitted most from the bursaries awarded, with 57.2%, followed by the Eastern Cape (20.2%) and Western Cape (14.1%). Enterprise development and social welfare are the focus areas that have received the second highest share of the contributions to date.

Enterprise development contributions

The target for IPPs to spend on enterprise development is 0.6% of revenues over the 20- year project operational life. However, for the current portfolio, IPPs have committed an average of 0.63% or 0.03% more than the target. Enterprise development contributions committed for BW1-4, amount to R7.2 billion. Assuming an equal distribution of revenue over the 20-year project operational life, enterprise development contributions would be R358 million per annum. Of the total commitment, R5.6 billion is specifically committed directly within the local communities where the IPPs operate, contributing significantly to local enterprise development.

Of the total commitment, R5.6 billion is specifically committed directly within the local communities where the IPPs operate, contributing significantly to local enterprise development. A total contribution of R504.1 million has already been made to the local communities (i.e. 94%of the total R537.9 million enterprise development contributions made to date).

Contribution to cleaner energy and water savings

As part of the global commitment, South Africa is targeting an emissions trajectory that peaks at 34% below a "business as usual" case in 2020, 42% below in 2025 and from 2035 declines in absolute terms. The REIPPPP contributes constructively to economic stability, energy security and environmental sustainability.

The emission reductions for the programme during the preceding 12 months (June 2019-June 2020) is calculated as 15.1 million tonnes CO_2 ($MtonCO_2$) based on the 14 835 GWh energy that has been generated and supplied to the grid over this period. This represents 75% of the total projected annual emission reductions ($20.5MtonCO_2$) achieved with only partial operations. A total of 72.1 Mton CO_2 equivalent reduction has been realised from programme inception to date.

The March 2019 Report also notes that since operation, the IPPs have saved 42.8 million kilolitres of water related to fossil fuel power generation. This saving will have increased with the increase in energy generated by renewable energy since 2019. The REIPPPP therefore contributes significantly towards meeting South Africa's GHG emission targets and, at the same time, supporting energy security, economic stability, and environmental sustainability.

2.3.2 Green Jobs Study

The study notes that South Africa has one of the most carbon-intensive economies in the world, therefore making the greening of the electricity mix a national imperative. Within this context the study notes that the green economy could be an extremely important trigger and lever for enhancing a country's growth potential and redirecting its development trajectory in the 21st century. The attractiveness of wind and solar technologies is not only supported by local conditions, but also by the relatively mature stage of their technological development.

The aim of the Green Jobs study was to provide information on the net direct job creation anticipated to emerge in the formal economy across a wide range of technologies/activities that may be classified as green or contributing to the greening of the economy. The study looked at the employment potential for a number of green sectors, including power generation, over three consecutive timeframes, namely, the short term (2011 – 12), medium term (2013 – 17) and long term (2018 – 25). The analysis attempts to estimate the employment potential associated with: building, construction and installation activities; operations and maintenance services; as well as the possible localisation spin-offs for the manufacturing sector as the domestic production of equipment, parts and components benefits from preferential local procurement.

It is also worth noting that the study only considered direct jobs in the formal economy. Multiplier effects were not taken into account. As a result, the analysis only captures a portion of the potential employment impact of a greening economy. International studies have indicated that there are considerable backward and forward linkages through various value chains of production, as well as of indirect and induced employment effects. The employment figures can therefore be regarded as conservative.

The analysis reveals the potential of an unfolding green economy to lead to the creation of approximately 98 000 new direct jobs, on average, in the short term, almost 255 000 in the medium term and around 462 000 employment opportunities in the formal economy in the long term. The number of jobs linked to the power generation was estimated to be ~ 12 500 in the short term, 57 500 in the medium term and 130 000 in the long term. Power generation jobs therefore account for 28% of the employment opportunities created in the long term. However, the report notes that the contribution made by a progressively expanding green energy generation segment increases from

14% of the total in the short term, or just over 13 500 jobs, to more than 28% in the long term (166 400) (Table 2.3). The study also found that energy generation is expected to become an increasingly important contributor to green job creation over time, as projects are constructed or commissioned.

Table 2.3: Net direct employment potential estimated for the four broad types of activity and their respective segments in the long term, and an indication of the roll-out over the three timeframes

Broad green economy category		Segment	Technology/product	Total net direct employment potential in the long-term	Net direct manufacturing employment potential in the long-term	Total net direct employment potential (ST, MT, LT)	Net direct manufacturing employment potential (ST, MT, LT)
ENERGY GENERATION	Renewable (non-fuel) electricity	Wind power	Onshore wind power	5 156	2 105	VL, L, M	L, M, H
			Offshore wind power				
		Solar power	Concentrated solar power	3 014	608	N, VL, M	N, VL, M
			Photovoltaic power	13 541	8 463	M, H, H	H, VH, VH
		Marine power	Marine power	197	0	N, N, VL	N, N, N
		Hydro power	Large hydro power	272	111	VL, VL, VL	VL, M, VL
			Micro-/small-hydro power	100	0	VL, VL, VL	N, N, N
	Fuel-based renewable electricity	Waste-to-energy	Landfills	1 178	180	VL, VL, L	VL, VL, L
			Biomass combustion	37 270	154	VL, H, VH	VL, VL, L
			Anaerobic digestion	1 429	591	VL, VL, L	VL, L, M
			Pyrolysis/Gasification	4 348	2 663	VL, L, M	VL, H, H
			Co-generation	10 789	1 050	L, M, H	M, H, H
	Liquid fuel	Bio-fuels	Bio-ethanol	52 729	6 641	M, H, VH	L, H, VH
			Bio-diesel				
ENERGY GENERATION SUB-TOTAL				**130 023**	**22 566**		
ENERGY & RESOURCE EFFICIENCY		Green buildings	Insulation, lighting, windows	7 340	838	L, M, M	L, M, M
			Solar water heaters	17 621	1 225	L, H, H	L, M, H
			Rain water harvesting	1 275	181	VL, VL, L	VL, VL, L
		Transportation	Bus Rapid Transport	41 641	350	VH, VH, VH	H, M, L
		Industrial	Energy efficient motors	-566	4	VL, VL, VL	VL, VL, VL
			Mechanical insulation	666	89	VL, VL, VL	VL, VL, VL
ENERGY & RESOURCE EFFICIENCY SUB-TOTAL				**67 977**	**2 686**		
EMMISIONS AND POLLUTION MITIGATION		Pollution control	Air pollution control	900	166	N, VL, VL	N, L, L
			Electrical vehicles	11 428	10 642	VL, L, H	N, H, VH
			Clean stoves	2 783	973	VL, VL, L	VL, L, M
			Acid mine water treatment	361	0	VL, VL, VL	N, N, N
		Carbon Capture and Storage		251	0	N, VL, VL	N, N, N
		Recycling		15 918	9 016	M, H, H	H, VH, VH
EMMISIONS AND POLLUTION MITIGATION SUB-TOTAL				**31 641**	**20 797**		
NATURAL RESOURCE MANAGEMENT		Biodiversity conservation & eco-system restoration		121 553	0	H, VH, VH	N, N, N
		Soil & land management		111 373	0	VH, VH, VH	N, N, N
NATURAL RESOURCE MANAGEMENT SUB-TOTAL				**232 926**	**0**		
TOTAL				**462 567**	**46 049**		

(Source: Green Jobs Study, 2011)

Notes:

- VH = very high (total employment potential > 20 000 direct jobs; manufacturing employment potential > 3 000 direct jobs);
- H = high (total employment potential > 8 000 but < 20 000; manufacturing employment potential > 1 000 but < 3 000);
- M = medium (total employment potential > 3 000 but < 8 000; manufacturing employment potential > 500 but < 1 000);
- L = low (total employment potential > 1 000 but < 3 000; manufacturing employment potential > 150 but < 500);
- VL = very low (total employment potential > 0 but < 1 000; manufacturing employment potential > 0 but < 150);

- N = negligible/none (total employment potential = 0; manufacturing employment potential = 0).

Of relevance the study also notes that the largest gains are likely to be associated with operations and maintenance (O&M) activities, particularly those involved in the various natural resource management initiatives. In this regard, operations and maintenance employment linked to renewable energy generation plants will also be substantial in the longer term. The employment growth momentum related to building, construction and installation activities peaks in the medium term, largely propelled by mass transportation infrastructure, stabilising thereafter as green building methods become progressively entrenched.

In addition, as projects related to a greening economy are progressively commissioned, the potential for local manufacturing also become increasingly viable. Employment gains in manufacturing are also expected to be relatively more stable than construction activities, since the sector should continue exhibiting growth potential as new and replacement components are produced, as additional markets are penetrated, and as new green technologies are introduced. Manufacturing segments with high employment potential in the long term would include suppliers of components for wind and solar farms. The study does note that a shortage of skills in certain professional fields pertinent to renewable energy generation presents a challenge that must be overcome.

The study also identifies a number of advantages associated with renewable energy with a large 'technical' generation potential. In this regard, renewable energy, such as solar and wind, does not emit carbon dioxide (CO_2) in generating electricity and is associated with exceptionally low lifecycle emissions. The construction period for renewable energy projects are much shorter than those of conventional power stations, while an income stream may, in certain instances, be provided to local communities through employment and land rental. The study also notes that the greenhouse gases (GHG) associated with the construction phase are offset within a short period of time compared with the project's lifespan. Renewable power therefore provides an ideal means for reaching emission reduction targets in a relatively easy manner. In addition, and of specific relevance to South Africa, renewable energy source is not dependent on water (as compared to the massive water requirements of conventional power stations), has a limited footprint and therefore does not impact on large tracts of land, poses limited pollution and health risks, specifically when compared to coal and nuclear energy plants.

Of relevance, the study also notes that renewable energy projects in rural areas create an opportunity to benefit the local and regional economy through the creation of jobs and tax revenues.

2.3.3 Powering the Future: Renewable Energy Roll-out in South Africa

The study notes that South Africa has higher CO_2 emissions per GDPppp (2002 figures) from energy and cement production than China or the USA (Letete, T et al). Energy accounts for 83% of the total GHG emissions (excluding land use, land use change and forestry) with fuel combustion in the energy industry accounting for 65% of the energy emissions of South Africa (DEA, 2011).

Within a broader context of climate change, coal energy does not only have environmental impacts, it also has socio-economic impacts. Acid mine drainage from

abandoned mines in South Africa impacts on water quality and poses the biggest threat to the country's limited water resources. Huge volumes of water are also required to wash coal and cool operating power stations. Eskom uses an estimated 10 000 litres of water per second due to its dependency on coal (Greenpeace, 2012).

The report notes that the concerns relating to whether South Africa can afford renewable energy arise out of the perception that renewable energy (RE) is expensive while fossil and nuclear technologies are cheap. The premise also ignores life cycle costing of the technologies which is favourable to renewable technologies where the sources of fuel are free or cheap.

2.3.4 WWF SA Renewable Energy Vision 2030

In its vision the WWF motivated for a more ambitious plan, suggesting that the IRP should provide for an 11-19% share of electricity capacity by 2030, depending on the country's growth rate over the next fifteen years. The vision is to increase renewable energy at the expense of new coal-fired and nuclear capacity. The report notes that in addition to the obvious environmental benefits of this scenario, it will enable South Africa to add flexibility to energy supply capacity on an on-demand basis.

The report notes that Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) introduced in 2011, has by all accounts been highly successful in quickly and efficiently delivering clean energy to the grid. Increasingly competitive bidding rounds have led to substantial price reductions. In this regard, the study indicates that in three years, wind and solar PV have reached pricing parity with supply from new coal-fired power stations from a levelised cost of electricity (LCOE) perspective.

In bidding window 3 of August 2013, the average tariffs bid for wind and solar PV were R0,66/kWh and R0.88/kWh respectively, well below the recent estimates of R1.05/kWh for supply from the coal-fired Medupi and Kusile power stations (Papapetrou 2014).

The report also notes that the REIPPPP has several contracting rounds for new renewables supply. A robust procurement process, extension of a 20-year sovereign guarantee on the power purchase agreement (PPA) and, especially, ideal solar power conditions, have driven the investment case for RE in South Africa. In this regard, South Africa has been identified as one of the worlds' leading clean energy investment destinations (Figure 2.1).

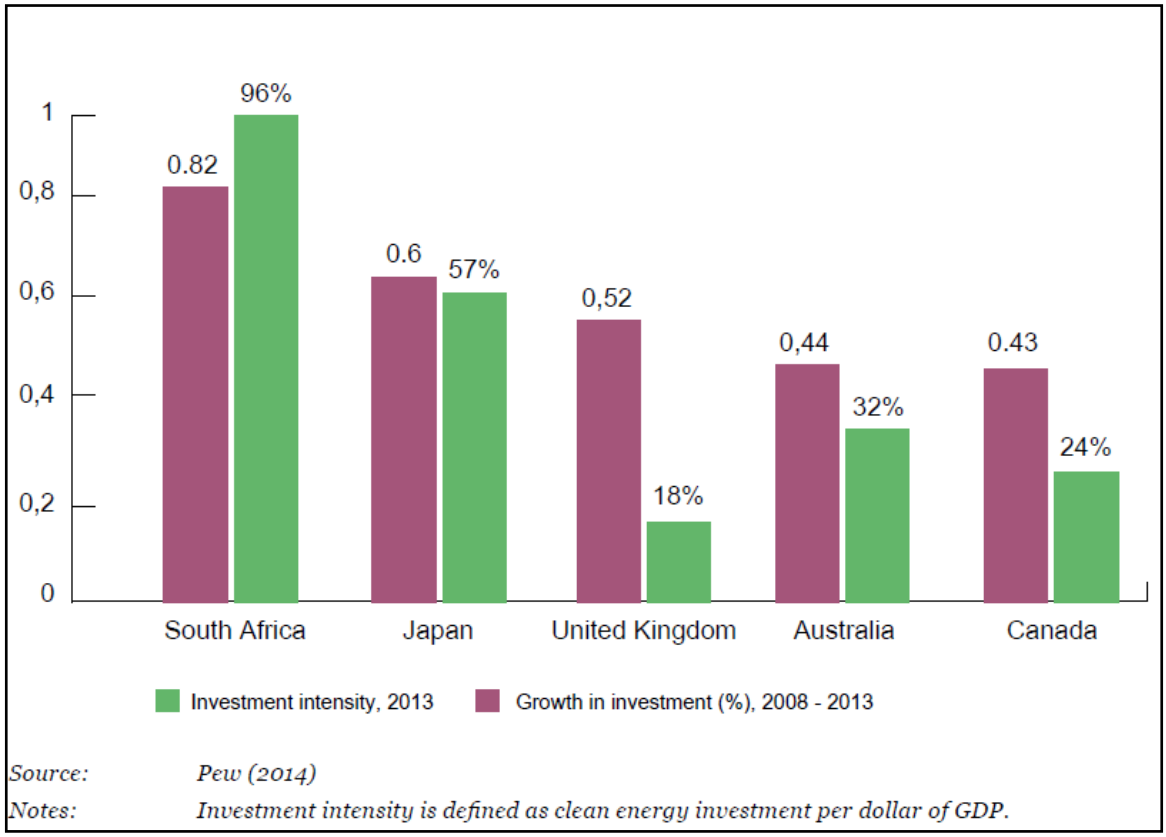

Figure 2.1: South Africa leads as a clean energy investment destination

With regard to local economic development, the REIPPPP sets out various local economic development requirements with stipulated minimum threshold and aspirational targeted levels, which each bidder must comply with. Based on the Broad-Based Black Economic Empowerment Codes, this requirement comprises the following components which make up a scorecard:

- Ownership by black people and local communities.
- Job creation.
- Local content.
- Management control.
- Preferential procurement.
- Enterprise development.
- Socio-economic development.

The final award is based on a combined evaluation in which price determines 70% of the ranking and performance on the local economic development scorecard the remaining 30%. This gives non-price criteria a much heavier weighting than they would normally enjoy under Government's preferential procurement policy.

Job creation, local content and preferential procurement accounted for the bulk of possible points on the scorecard in REIPPPP Round 3. Consequently, a requirement to source goods and services locally is considered to be the central driver of project costs associated with local economic development. In terms of local content, the definition of local content is quite broad, being the value of sales less the costs associated with imports. However, through successive bidding rounds, the definition has become

subject to more detailed definition, with an expanding list of exclusions and increased targeting in terms of key components identified by the Department of Trade and Industry for local manufacturing. This has benefitted local manufacturers and suppliers.

The WWF study considers a low and high growth renewable energy scenario. The capital requirements for the low growth scenario are estimated at R474 billion over the period 2014-2030 (2014 Rand value), rising to R1.084 trillion in the high-growth scenario, in which 35 GW of capacity is built. Each annual round of purchasing 2 200 MW of RE capacity would cost approximately R77 billion in 2014 Rand value terms. In relative economic terms, this equates to 2% of the GDP per annum or approximately one quarter of Government's planned annual investment in infrastructure over the medium term. In the low economic growth scenario, which is arguably the more realistic one, the average annual new liability over the period is approximately R40 billion.

The study also points out that infrastructure spend is more beneficial than other government expenditure due to the infrastructure multiplier effect. This refers to the beneficial impact of infrastructure on economic growth in both the short term, resulting from expansion in aggregate demand, as well as in the longer term (six to eight years) due to enhanced productive capacity in the economy. A recent USA study on highway expenditure revealed the infrastructure multiplier to be a factor of two on average, and greater during economic downturns (Leduc & Wilson 2013). This means that one dollar spent on infrastructure raises GDP by two dollars. If the same were to hold true, as similar analysis suggests it would (Kumo 2012, Ngandu et al 2010), this indicates that the construction of renewable energy plants could be a valuable economic growth driver at a time when fears of recession abound.

The report concludes that the WWF is optimistic that South Africa can achieve a much more promising clean energy future than current plans allow for. With an excellent solar resource and several good wind-producing pockets, the country is an ideal candidate for a renewable energy revolution.

The report indicates that the levelised cost of producing renewable energy already competes favourably with the three main alternatives, namely coal, gas and nuclear. In addition, renewable energy would contribute to a more climate-resilient future and insulate South Africa from dependence on expensive and unreliable fuel sources priced in dollars. Critical from a planning perspective, the report notes that renewable energy can also provide added flexibly on an 'as needed' basis, as electricity demand grows. This is vital in a highly uncertain environment.

2.3.5 The impact of the green economy on jobs in South Africa

The paper notes that greening the economy is particularly important in South Africa for two basic reasons: (1) the exceptional level of unemployment that the country is experiencing and (2) the high carbon impact of the economy.

In terms of employment, the paper refers to the IDC *Green Jobs R*eport (2011). In summary, the short-term (next 2 years) estimate of total net employment potential is 98 000 jobs, and the long-term (next 8 years) employment potential is 462 567 jobs. Natural resource management is predicted to lead to the greatest number of these at 232 926 long-term jobs. Green energy generation is estimated to produce 130 023

long-term jobs, with energy and resource efficiency measures adding another 67 977 long-term jobs.

2.3.6 The potential for local community benefits

In her thesis, Tait[8] notes that the distributed nature of renewable energy generation can induce a more geographically dispersed pattern of development. As a result, RE sites can be highly suited to rural locations with otherwise poor potential to attract local inward investment therefore enabling to target particularly vulnerable areas.

In her conclusion, Tait notes that the thesis has found positive evidence for the establishment of community benefit schemes in the wind sector in South Africa. These benefits would also apply to solar projects. The BBBEE requirements for developers as set out in the DoE's IPPPP for renewables is the primary driver for such schemes. The procurement programme, in keeping with the objective of maximising the economic development potential from this new sector, includes a specific focus on local communities in which wind farms are located.

The procurement programme, typical of all Government tendering processes, includes a BBBEE scorecard on which renewable energy projects are evaluated. However, the renewables scorecard appears to play an important part in a renewed focus on the broad-based Aspects of the legislation, as enforced by a recent national review of the BBBEE Act. In this regard, the renewables scorecard includes specifications for local communities in respect of broad-based ownership schemes, socio--economic development and enterprise development contributions. This approach to legislating social responsibilities of business in all sectors definitely has a South African flavour, borne out of the political history of the country and the imperatives for social transformation laid out in the constitution.

While Tait notes that it is still early days for the development of this sector and one cannot determine the impact that such benefit schemes may have, it is clear though that targeted development expenditure will be directed to multiple rural communities and there seems to be a strong potential to deliver socio-economic benefits.

[8] The potential for local community benefits from wind farms in South Africa, Louise Tait (2012), Master's Thesis, Energy Research Centre University of Cape Town. Similar benefits are also likely to be associated with solar energy projects.

SECTION 3: OVERVIEW OF THE STUDY AREA

3.1 INTRODUCTION

Section 3 provides an overview of the study area with regard to:

- The relevant administrative context.
- The municipal level socio-economic context.
- Overview of the site.

3.2 ADMINISTRATIVE CONTEXT

The Khâi-Ma Municipality (KMM) is one of six local municipalities that make up the Namakwa District Municipality (NDM) (Figure 3.1). The town of Pofadder is the administrative seat of the adjacent KMM. The De Rust PV1 and PV2 SEFs are located in Ward 4 of the KMM. The closest settlement to the site is Pofadder, located 15 km northwest of the site. Pofadder is also the largest of the settlement in the area, with a population of 3 663, followed by Aggeneys, 2 262. Aggeneys is located in the Nama Khoi Local Municipality.

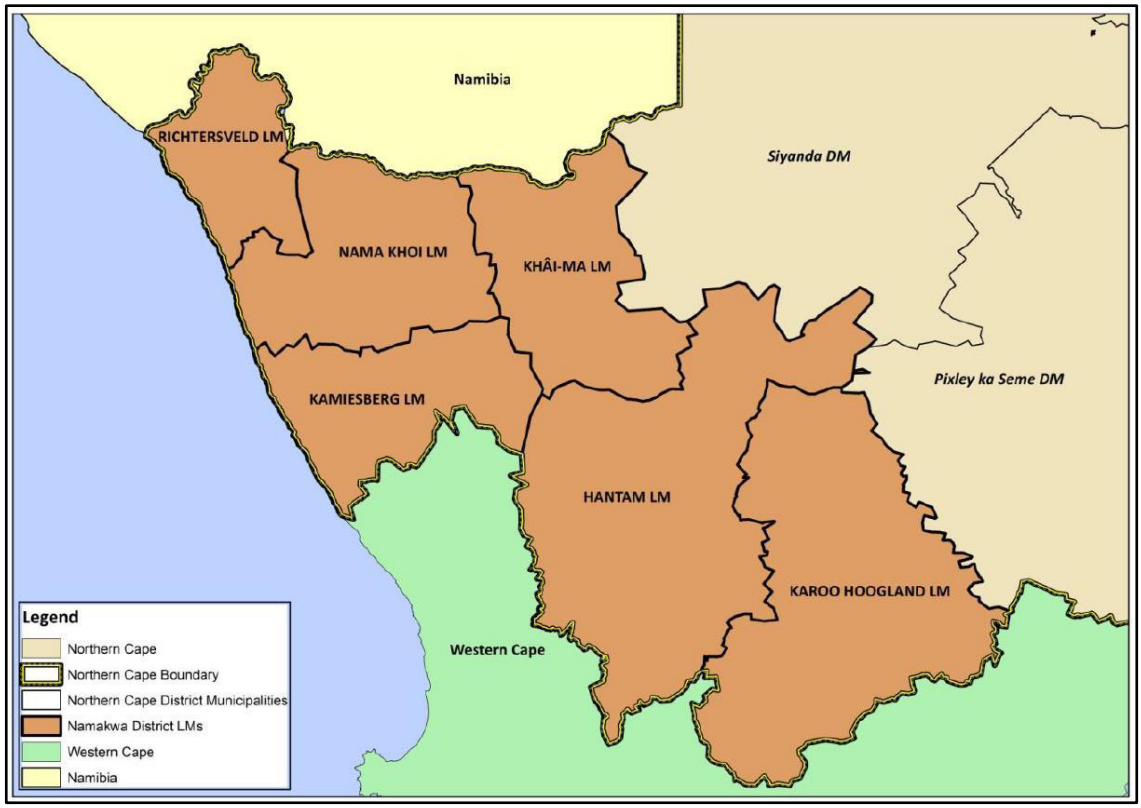

Figure 3.1: Local municipalities within Nama District Municipality

3.3 SOCIO-ECONOMIC OVERVIEW-NAMA KHOI MUNICIPALITY

3.3.1 Demographics[9]

Population

The population in the KMM in 2016 was 12 344. The number of households was 4 079, with an average household size of 3. The population of Ward 4 in 2011 was 3 638. The total number of households was 1 106, with an average household size of 3.3.

Most of the population is in the KMM is Coloured (89.2%), followed by Whites (7.1%) and Black Africans (2.8%). The dominant language within the Municipality is Afrikaans (94.9%) (Household Community Survey, 2016). In terms of Ward 4, the majority of the population was also Coloured (65.8%), followed by Whites (17.2%) and Black Africans (15.8%). The dominant language was Afrikaans (79.3%) followed by IsiXhosa (8.1%) (Census 2011).

Based on the 2011 Census data 29.5% of the population of Ward 4 were under the age of 18, 66.3% were 18 to 64 and the remaining 4.2% were 65 and older. Based on these figures the dependency ratio for Ward 4 in 2011 was 50.

The dependency ratio is the ratio of non-economically active dependents (usually people younger than 15 or older than 64) to the working age population group (15-64). The higher the dependency ratio the larger the percentage of the population dependent on the economically active age group. This in turn translates reduced revenue for local authorities to meet the growing demand for services. A high dependency ratio also reflects the limited employment opportunities in the area and represent a significant risk to the local and district municipality.

The traditional approach to measuring the dependency ratio is to use figures of 0-14 years of age and 15-65, and 65 and over. Using the above figures will result in a higher dependency ratio. However, it is likely to be more accurate given that the majority of the population under the age of 18 are or should be at school and are likely to be residing with their parents as opposed to working. Based on this approach the provincial and national dependency ratios in 2011 were 55.7 and 52.7, respectively. The dependency ratio for Ward 4 was therefore lower than the provincial and national levels.

Households, house types and ownership

The number of households in the KMM was 4 079 in 2016. There was a total of 1 106 (2011) households in Ward 4. Of these 87.9% were formal houses, 1.8% were apartments and 3.9% were shacks. The majority of dwellings in Ward 4 are therefore formal structures. In terms of ownership, 20.8% of houses are owned and fully paid off, 2.5% are owned, but not paid off, 57.1% were rented and 15.1% were occupied rent free. The high number of rented structures is likely to be linked to the mining activities at Aggenys where the properties are owned by the mining company and rented out to employees.

Approximately 20.4% of the households in Ward 4 were headed by women. The figure is significantly lower that the district level (36.5%) provincial level (38.5%). However, despite the lower percentage of women headed households, women headed households tend to be more vulnerable.

[9] The focus of the overview is on the KMM and Ward 4, which is where site is located.

Household income
Based on the data from the 2011 Census, 4.9 % of the population of the KMM have no formal income, 1.7 % earn under R 4 800, 6.7 % earn between R 5 000 and R 10 000 per annum, 40.9% between R 10 000 and 20 000 per annum and 13.9% between R 20 000 and R 40 000 per annum (Census 2011)[10]. The figures for Ward 4 were 5.2%, 2.8%, 3.1%, 11.6% and 14.1% respectively.

The poverty gap indicator produced by the World Bank Development Research Group measures poverty using information from household per capita income/consumption. This indicator illustrates the average shortfall of the total population from the poverty line. This measurement is used to reflect the intensity of poverty, which is based on living on less than R3 200 per month for an average sized household (~ 40 000 per annum). Based on this measure, in the region of 68.1% of the households in the KMM and 36.8% in Ward 4 live close to or below the poverty line. The income levels in Ward 4 are therefore higher than those in the KMM. The low-income levels in the KMM reflect the limited formal employment opportunities in the area and the dependence on seasonal employment in the agricultural sector. This is also reflected in the high unemployment rates. The low-income levels in the KMM are a major concern given that an increasing number of individuals and households are likely to be dependent on social grants. The low-income levels also result in reduced spending in the local economy and less tax and rates revenue for the KMM. This in turn impacts on the ability of the KMM to maintain and provide services. The current (2021) percentage of households living on or below the poverty line is likely to be higher due to the impact of the COVID-19 pandemic.

Indigent households
The total number of indigent households registered in the Namakwa District in 2016 was 11 537. Of this total, the KMM had the second highest number of indigent households, namely 1 752 (15%) households.

Employment
The official unemployment rate in Ward 4 in 2011 was 6.4%, with 33.9% falling within the not economically active group and 3% being classified as discouraged work seekers. The unemployment rate for Ward 4 was lower than the district (11.1%) and provincial (14.5%) rate. However, the current (2021) unemployment rates are likely to be higher due to the impact of the COVID-19 pandemic.

Education
The data from the 2016 Community Survey indicates that 2.8% of the population over 20 years of age in the KMM had no education, 6.7% had a primary school level education and 23.3% had passed matric. 3.1% had achieved an undergraduate degree and 0.6% a postgraduate qualification. The matriculation figures are lower than the provincial figure (25.2%) and national (28.4%) average. Low education levels, specifically higher education, therefore, remains a challenge in the KMM.

The figures for Ward 5 indicate that 2.3% of the population had no education. This figure is lower than the district and provincial level. The figures for the percentage of the population over the age of 20 with matric (29.7%) was higher than the district figure (21.5%) and provincial level (25.2%). 3.7% had achieved an undergraduate degree and 2.2% a postgraduate qualification (Table 5). These figures are also higher

[10] There is no data on household income from the 2016 Household Community Survey for the KMM and Ward 4.

than the district figure (2.4% and 1%) and provincial level (2.7 and 1.2%). Despite this the relatively low percentage of the population with an undergraduate and or postgraduate qualifications in Ward 4 is likely to have implications in terms of meeting local employment targets during the construction phase, and to a lesser extent the operational phase of the projects.

Table 3.1: Population by highest educational level

Column	Khâi-Ma Ward 4		Namakwa		Northern Cape	
None	2.3%	57	6.3%	4,794	11.1%	76,861
Other	0.4%	10	0.2%	184	0.3%	1,746
Some primary	8.7%	215	17.1%	12,928	16.8%	116,114
Primary	4.2%	104	9.7%	7,332	6.2%	43,111
Some secondary	39.2%	965	37.9%	28,744	34.2%	236,956
Grade 12 (Matric)	29.7%	731	21.5%	16,290	25.2%	174,210
Undergrad	3.7%	91	2.4%	1,825	2.7%	18,802
Post-grad	2.2%	54	1%	729	1.2%	8,254
N/A	9.6%	236	3.9%	2,946	2.4%	16,755

Source: Wazimap: 2011 Census

3.3.2 Municipal service levels

Access to water

Based on the 2011 Census, 85% of households in Ward 4 were provided with water by a service provider, namely the KMM. 10.2% relied on boreholes and 2.5% on the Gariep (Orange) River (Table 3.2). The high percentage that relies on boreholes reflects the rural nature of the area. Due to the rural, dispersed nature of the area, it is both difficult and costly to provide municipal services, hence the reliance on boreholes.

Table 3.2: Population by water access

Column	Khâi-Ma Ward 4		Namakwa		Northern Cape	
Service provider	85%	3,094	85.2%	98,720	85.4%	978,825
Borehole	10.2%	371	8.2%	9,536	5.9%	67,242
River	2.5%	89	1.6%	1,873	1.8%	21,008
Tanker	0.9%	32	0.8%	877	2.1%	24,299
Other	1.5%	53	4.2%	4,836	4.8%	54,488

Source: Wazimap: 2011 Census

Sanitation
85.9% of the households in Ward 4 had flush toilets, 5.5% relied on pit latrines with ventilation, and 3.3% had no access to sanitation facilities. The figures in terms of access to flush toilets are higher than the district and provincial figures for flush toilets (Table 3.3).

Table 3.3: Population by sanitation access

Column	Khâi-Ma Ward 4		Namakwa		Northern Cape	
Flush toilet	85.9%	953	71.3%	24,456	66.4%	207,095
Pit latrine with ventilation (VIP)	5.5%	61	15.3%	5,247	9%	27,988
None	3.3%	37	5.7%	1,940	8.2%	25,586
Pit latrine without ventilation	2.3%	25	4.5%	1,559	10.5%	32,772
Other	3.1%	34	3.2%	1,103	5.9%	18,367

Refuse collection
81% of the households in Ward 4 had their waste collected by a service provider (KMM) on a regular basis, while 7.4% relied on their own dump and 4.2% were serviced by the local service provider, but not on a regular basis (Table 3.4). The relatively high percentage of households that rely on their own and or communal refuse dumps reflects the rural nature of Ward 4.

Table 3.4: Population by refuse access

Column	Khâi-Ma Ward 4		Namakwa		Northern Cape	
Service provider (regularly)	81%	2,948	85.4%	98,900	67.4%	771,733
Own dump	7.4%	269	9%	10,418	21.7%	248,965
Service provider (not regularly)	4.2%	153	2%	2,311	2.3%	26,678
Other	4.2%	151	0.9%	1,048	1.7%	19,953

Source: Wazimap: 2011 Census

3.4 ECONOMIC OVERVIEW-KHAI MA MUNICIPALITY

In terms of GGDP, the most important sector is the mining sector with a 56%, followed by the community services (12%). Khâi-Ma LM is rich in minerals deposits. South Africa's main source of lead production is from Aggeneys. The main zinc deposits in the Northern Cape Province can be found at Gamsberg near Aggeneys.

Mining is dominated by Vedanta Zinc International (VZI), acquired Black Mountain and Gamsberg Mine from Anglo American in 2011. Since then, VZI has invested considerable resources into developing the Gamsberg Mine. The combined entity, Black Mountain and Gamsberg, is known as the Black Mountain Mining Complex (BMC). A total of 2 863 people (including business partners) are currently employed within the BMC. This is made up of 1 692 at Black Mountain and 1 711 at the Gamsberg Mine. Other mining operations include the Bosluispan Mine managed by Kori Diamond Mining (Pty) Ltd (Diamonds and Salt) and Aroams Quarry.

The IDP notes that an application for the establishment of the Namakwa Special Economic Zone (SEZ) in vicinity of the Aggeneys and Gamsberg Zinc mine has been made. The SEZ will include a smelter and associated industries. The IDP indicates that the SEZ would create about 6000 permanent and temporary jobs. The Northern Cape Department of Economic Development and Tourism in conjunction with the national Department of Trade and Industry is preparing the final documents for the declaration of a Namakwa Special Economic Zone.

Agriculture includes both commercial and emerging, small-scale farming, with a focus on livestock (sheep, goats and cattle). Irrigation also take place along the Gariep River. The main crops are grapes (table, raising and wine). The Department of Agriculture and Rural Development also supports the Pella community farming operations that are linked to raisin and table grapes. Vedanta Zinc International- Black Mountain Complex also supports small farmers by equipping boreholes and other needs. Abengoa Solar also supports local small-scale farmers at Onseepkans.

There are also a number of renewable energy facilities in the KMM, including Abengoa's Khaxu Solar One, a 100MW concentrated solar power (CSP) plant located north of Pofadder.

3.5 OVERVIEW OF THE SITE

3.5.1 Introduction

The De Rust PV1 and PV2 sites are located on a single property located approximately 16 km[11] south of the small town of Pofadder in the central-northern Northern Cape Province (NCP). Pofadder is the seat of the rural Khâi-Ma Local Municipality (LM), which also includes the small mining town of Aggenys approximately 47 km to the north west of the site property, and the Pella mission settlement ~33 km to the north. The nearest higher order service centres are Springbok (~146 km to the SW) and Upington (~195 km to the northeast).

Pofadder is located along the N14. The N14 links Springbok (and the N7) to Upington (and interior). The study area properties are accessed off public gravel roads which intersect with the N14, namely the R358 (Pofadder-Gamoep) and Aggenys-R27 road, and roads intersecting with these two roads. The N14 is the only tarred road in the study area.

The study area falls within the arid Bushmanland region. Annual rainfall is around 100 mm, and the area is prone to droughts. The landscape is largely flat, punctuated by small ranges of koppies and low hills. The veld consists of sparse grassland on plains and sparse shrubland on the slopes of koppies. The landscape is essentially treeless. The study area properties are used primarily as grazing for small stock, mainly sheep and goats. Bushmanland is traditionally used as summer grazing by farmers based elsewhere. Carrying capacities are low, around 46 ha per head of cattle[12]. Most operations rely on boreholes and watering points. Economic farming units are spatially extensive and limited employment is associated with the operations. The study area settlement is sparse, and mainly concentrated on a few base farms. Farmyards are concentrated near public roads and are generally spaced far apart (>5 km). Caretaker staff may reside on secondary properties.

[11] All distances linear.
[12] https://gis.elsenburg.com/apps/cfm/#

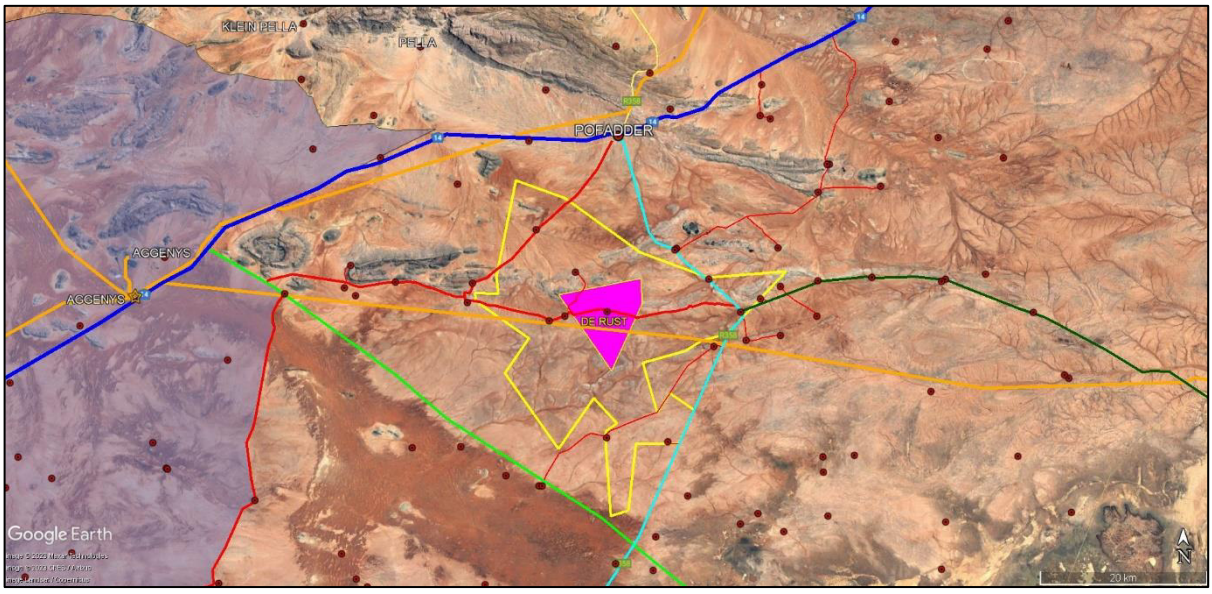

Figure 3.2: De Rust 1 and 2 PV site property (pink fill) and adjacent properties (yellow outline) in relation to Springbok Wind REDZ (shaded grey), settlements, farmsteads (red dots), existing transmission lines (orange), the N14 (dark blue), R358 (light blue), Kenhardt road (to R27, dark green), Aggenys-R27 road (light green) and other study area gravel roads (red).

Little industrial infrastructure is located in the study area. The study area is currently traversed by a single 400 kV line, aligned roughly west to east across the site property and properties located to its west and east.

No tourism or other visually sensitive receptors are located in the study area. Tourist accommodation is limited to a few guest houses in Pofadder mainly catering to traffic on the N14. No protected natural areas are located in significant proximity to the sites.

3.5.2 Site and site adjacent properties

The De Rust PV1 and PV2 sites are proposed on a portion of one property, Samoep 147/1 (~5 700 ha). The site property borders onto 9 properties (Figure 3.3). The site- and adjacent properties together occupy an area of approximately 58 360 ha.

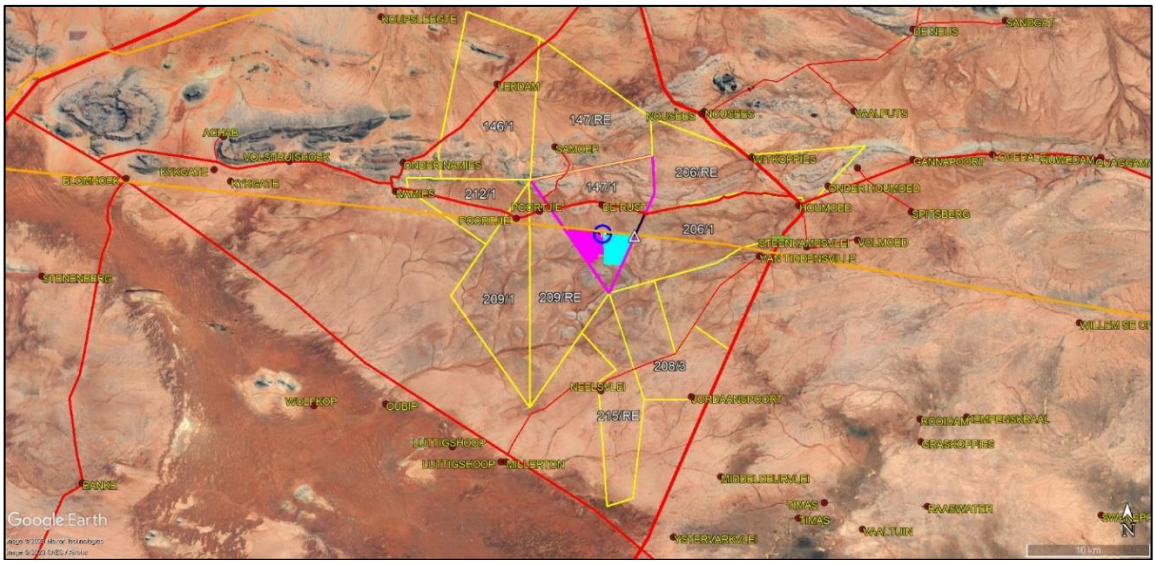

Figure x: De Rust 1 PV (pink fill) and De Rust 2 PV (blue fill) sites in relation to affected properties (yellow outlines), proposed construction and operational premises (circled dark blue), proposed access road (black line), main PV sites access (white triangle), existing transmission lines (orange), and the study area road network (red).

Samoep 147/1 is owned by Mr Gerhard Kruger, who is based in Ireland. The property is currently farmed by Mr Jannie Kruger, based in Pofadder. Dwellings are located on nine of the ten relevant properties. The dwellings are generally spaced far apart. Several farmsteads - including that on Samoep 147/1 (De Rust) - are however no longer inhabited, or only occasionally so (visiting owner). All the study area rural properties are primarily used for farming livestock. No tourism or commercial hunting is associated with any of the study area properties. Table 3.5 lists the adjacent properties.

The site property as well as 4 adjacent ones are currently affected by transmission line infrastructure (the same 400 kV line). The site property is also proposed to accommodate infrastructure associated with the proposed De Rust North WEF. The De Rust North WEF also includes adjacent Houmoed 206/RE to the east of the site property. The De Rust South WEF is also proposed on Houmoed 206/RE. In addition, a further (unnamed) De Rust WEF is envisaged on Houmoed 206/1 to the east of the site property.

Table 3.5: Overview of De Rust 1 and 2 PV site property and adjacent properties (site, then clockwise from north)

PROPERTY	LAND USE	DWELLING	PV 1[13] [km]	PV 2 [km]	COMMENT[14]
Samoep 147/1	Livestock	De Rust (uninhabited)	2.2	2.2	PV 1 and 2 sites; Proposed WEF North; 1 x 400 kV line
Samoep 147/RE	Livestock	Samoep	6.7	7.9	
Houmoed 206/RE	Livestock	Witkoppies (labourer only)	11.4	13.5	Proposed WEF North; Proposed WEF South
Houmoed 206/1	Livestock	Houmoed (uninhabited)	15.9	13.4	Existing 1 x 400 kV line Envisaged for future [unnamed] De Rust WEF
Van-Tidden's-Ville 208/3	Livestock	Jordaanspoort (uninhabited)	11.9	13.3	
Neels Vlei 215/RE	Livestock	Neelsvlei	10.1	10.3	
Poortjie 209/RE	Livestock	Poortjie	2.5	5.5	1 x 400 kV line
Poortjie 209/1	Livestock	Poortjie	4.1	7.2	1 x 400 kV line
Namies Suid 212/1	Livestock		n.a.	n.a.	1 x 400 kV line
Namies Noord 146/1	Livestock	Lekdam	12.8	14.7	

3.5.3 Relationship with receptors

The site property is used for grazing (sheep). The PV1 site would occupy approximately 516 ha (9%) of Samoep 147/1 (~5 700 ha), and PV2 approximately 497 ha (8.7%). Combined the two PV SEFs would occupy approximately 17.7% of Samoep 147/1. Grazing would be able to continue after construction, but during construction portions of the properties may need to be de-stocked.

As indicated above, the study area settlement pattern is sparse, and several farmsteads are not permanently inhabited. Dwellings on only three properties are located within 5 km of the PV1 site, namely that on the site property Samoep 147/1 (De Rust, 2.2 km), Poortjie 209/RE (2.5 km), and Poortjie 209/1 (4.1 km). The farmstead on the site property (2.2 km) is the only dwelling located within 5 km of the PV2 site. The De Rust farmstead is not inhabited. The Poortjie farmsteads are inhabited. The construction and operational phase facilities for both PV projects are located adjacent to one another. Only the De Rust farmstead is located within 5 km of both sets of facilities (2.2 km). Poortjie 209/RE (4.8 km) is also located within 5 km of the PV1 facilities. No visually sensitive land uses are located in significant proximity to the site. No accommodation or other tourism facilities are associated with the immediate study area. The PV sites are located approximately 22 km south of both Pofadder and the N14, i.e., not in significant proximity of either.

Access is proposed off the R358 and then via the public gravel road linking the R358 to the Aggenys-R27road (via De Rust). The access road would require a new road on the site property, near its eastern boundary. No farmsteads are located near the public road portion east of site up to the R358. Five farmsteads – De Rust, Poortjie, Poortjie,

[13] Shading indicates potential residential receptors within 5 km of proposed infrastructure.
[14] Shading indicates properties on which De Rust REFs are currently proposed or envisaged.

Namies and Volstruishoek - are located near the road to the west of the site. Construction traffic is proposed from the east (R358). A single main access point is proposed on the access road immediately to the NE of the PV2 site, on the site property. The access point would not affect existing roads.

3.5.4 Relationship with other renewable energy facilities

The De Rust PV1 and PV2 site properties are not located within a Renewable Energy Development Zone (REDZ). The DFF&E's Renewable Energy website indicates historic clustering west of the site towards Aggenys, and to the north-east of Pofadder within a 50 km radius of the centre of the North WEF site properties (Figure 3.4).

The nearest operational REF is the Kangnas WEF, located to the south of the N14 between Springbok and Aggenys, approximately 90 km to the south-west of the site. Two further De Rust projects are concurrently proposed, namely North WEF and South WEF. The North WEF is proposed on three contiguous properties which include the PV 1 and 2 site property. The South WEF (overlaps with North WEF) is proposed adjacent to the east of the site property. In addition, a further (unnamed) De Rust WEF is envisaged (but not yet proposed) immediately to the east of the PV1 and PV2 site property.

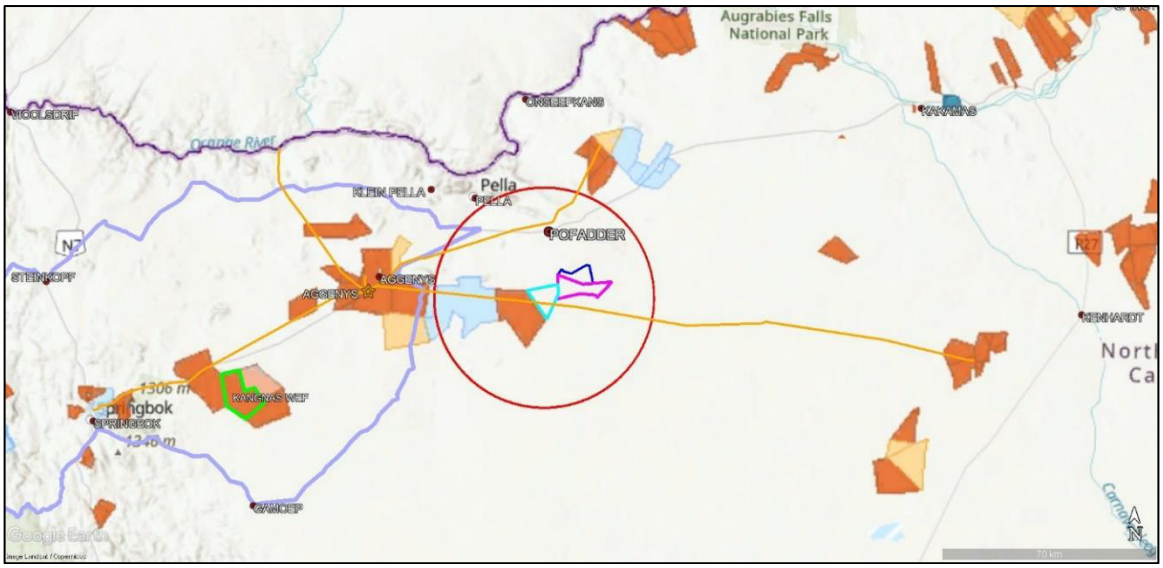

Figure 3.4: Historic REF applications within a 35 km radius (red circle) of the centre of the De Rust 1 and 2 PV site property (light blue outline). Also indicated are the Springbok REDZ boundary (grey), concurrent De Rust projects, viz. North WEF (pink, light blue and dark blue) and South WEF (pink), the operational Kangnas WEF (green); and existing transmission lines (orange).

SECTION 4: ASSESSMENT OF SOCIAL ISSUES

4.1 INTRODUCTION

Section 4 provides an assessment of the key social issues based on:

- Review of project related information.
- Review of key policy and planning documents.
- Site visits to the study area for other renewable energy projects.
- Interviews with key stakeholders.
- Experience/ familiarity of the author with the area and local conditions.
- Experience with similar projects.

The key findings of the study are summarised under the following sections:

- Fit with policy and planning.
- Construction phase impacts.
- Operational phase impacts.
- Cumulative impacts.
- Decommissioning phase impacts.
- No-development option.

The social issues and associated significance ratings will be the same for both the FF De Rust PV1 and PV2 SEFs. Separate assessments have therefore not been undertaken.

4.2 ASSESSMENT OF POLICY AND PLANNING FIT

The findings of the SIA indicate that investment in renewable energy and the associated energy infrastructure is strongly supported at a national, provincial, and local level. The development of and investment in renewable energy and associated energy distribution infrastructure is supported by the National Development Plan (NDP), New Growth Path Framework and National Infrastructure Plan, which all highlight the importance of energy security and investment in energy infrastructure.

4.3 CONSTRUCTION PHASE SOCIAL IMPACTS

Potential positive impacts

- Creation of employment and business opportunities.

Potential negative impacts

- Impacts associated with the presence of construction workers on local communities.
- Safety and security risks to local farmers and farming operations.
- Potential risk of grass fires
- Nuisance impacts such as noise, dust and safety impacts associated with construction related activities and vehicles.

4.3.1 Creation of local employment, training, and business opportunities

The construction phase for each PV SEF will be approximately 24 months and create in the region of 200-250 employment opportunities. Approximately 70% of the jobs will be low-skilled, 20% semi-skilled and 10% skilled. Most of the low and semi-skilled employment opportunities could benefit community members from local towns in the area, including Aggeneys, Pofadder, Springbok and Kakamas. A percentage of the high skilled positions may also benefit the local community. Most of the employment opportunities are also likely to accrue to Historically Disadvantaged (HD) members from these local communities. Given high local unemployment levels and limited job opportunities in the area, this will represent a localised, social benefit. The remainder of the skilled employment opportunities are likely to be associated with the contactors appointed to construct the grid infrastructure. However, in the absence of specific commitments from the developer to maximise local employment targets the potential opportunities for local employment will be limited. The proponent should therefore commit to employing as many local community members as possible.

The total wage bill for each PV will be in the region of R 30 million (2023 Rand values). A percentage of the wage bill will be spent in the local economy which will also create opportunities for local businesses. The capital expenditure for each PV SEF will be ~ 2 billion (2023 Rand Values). This will create opportunities for local companies and the regional and local economy. Implementing the enhancement measures listed below can enhance these opportunities. However, given the size of the local economy the majority of the benefits associated with the capital expenditure will benefit non-local companies. The sector of the local economy that is most likely to benefit from the proposed development is the local service industry. The potential opportunities for the local service sector would be linked to accommodation, catering, cleaning, transport, and security, etc. associated with the construction workers on the site. However, given the relatively small scale of the project and short duration of the construction phase these benefits will be limited.

The potential benefits for local communities are confirmed by the findings of the Overview of the IPPPP undertaken by the Department of Energy, National Treasury and DBSA (December 2021). The study found that to date, a total of 63 291 job years[15] have been created for South African citizens, of which 48 110 job years were in construction and 15 182 in operations. By the end of December 2021, 85 projects had successfully completed construction and moved into operation. These projects created 44 172 job years of employment, compared to the anticipated 30 488. This was 45% more than planned.

In terms of benefits for local communities, significantly more people from local communities were employed during construction than was initially planned. For active projects, the expectation for local community participation was 13 284 job years. To date 25 272 job years have been realised (i.e. 90% more than initially planned), with 23 projects still in, or entering, construction. The number of black SA citizens employed during construction also exceeded the planned numbers by 74%.

Black South African citizens, youths and rural or local communities have been the major beneficiaries during the construction phases, as they respectively represent

[15] The equivalent of a full-time employment opportunity for one person for one year.

81%, 44% and 48% of total job opportunities created by IPPs to date. However, woman and disabled people could still be significantly empowered as they represent a mere 10% and 0.4% of total jobs created to date, respectively. Nonetheless, the fact that the REIPPPP has raised employment opportunities for black South African citizens and local communities beyond planned targets, indicates the importance of the programme to employment equity and the drive towards more equal societies.

The share of black citizens employed during construction (81%) and the early stages of operations (85%) has significantly exceeded the 50% target and the 30% minimum threshold. Likewise, the share of skilled black citizens (as a percentage of skilled employees) for both construction (71%) and operations (82%) has also exceeded the 30% target and minimum threshold of 18%. The share of local community members as a share of SA-based employees was 48% and 70% for construction and operations respectively – exceeding the minimum threshold of 12% and the target of 20%.

Table 4.1: Impact assessment of employment and business creation opportunities during the construction phase

Nature: Creation of employment and business opportunities during the construction phase		
	Without Mitigation	**With Enhancement**
Extent	Local – Regional (2)	Local – Regional (3)
Duration	Short term (2)	Short term (2)
Magnitude	Moderate (6)	Moderate (6)
Probability	Highly probable (4)	Highly probable (4)
Significance	Medium (40)	Medium (44)
Status	Positive	Positive
Reversibility	N/A	N/A
Irreplaceable loss of resources?	N/A	N/A
Can impact be enhanced?	Yes	

Enhancement:
Employment

- Where reasonable and practical, the proponent should appoint local contractors and implement a 'locals first' policy, especially for semi and low-skilled job categories. However, due to the low skills levels in the area, the majority of skilled posts are likely to be filled by people from outside the area.
- Where feasible, efforts should be made to employ local contactors that are compliant with Broad Based Black Economic Empowerment (BBBEE) criteria.
- Before the construction phase commences the proponent should meet with representatives from the KMM to establish the existence of a skills database for the area. If such as database exists it should be made available to the contractors appointed for the construction phase.
- The local authorities, community representatives, and organisations on the interested and affected party database should be informed of the final decision regarding the project and the potential job opportunities for locals and the employment procedures that the proponent intends following for the construction phase of the project.
- Where feasible, training and skills development programmes for locals should be initiated prior to the initiation of the construction phase.
- The recruitment selection process should seek to promote gender equality and the employment of women wherever possible.

Business • The proponent should liaise with the KMM with regards the establishment of a database of local companies, specifically BBBEE companies, which qualify as potential service providers (e.g., construction companies, catering companies, waste collection companies, security companies etc.) prior to the commencement of the tender process for construction service providers. These companies should be notified of the tender process and invited to bid for project-related work. Note that while preference to local employees and companies is recommended, it is recognised that a competitive tender process may not guarantee the employment of local labour for the construction phase.
Residual impacts: Improved pool of skills and experience in the local area.

Assessment of No-Go option
There is no impact as the current status quo would be maintained.

4.3.2 Impact of construction workers on local communities

The presence of construction workers can pose a potential risk to family structures and social networks. While the presence of construction workers does not in itself constitute a social impact, the manner in which construction workers conduct themselves can impact on local communities. The most significant negative impact is associated with the disruption of existing family structures and social networks. This risk is linked to potentially risky behaviour, mainly of male construction workers, including:

- An increase in alcohol and drug use.
- An increase in crime levels.
- The loss of girlfriends and/or wives to construction workers.
- An increase in teenage and unwanted pregnancies.
- An increase in prostitution.
- An increase in sexually transmitted diseases (STDs), including HIV.

The objective will be to source as many of the low and semi-skilled workers locally. These workers will be from the local community and form part of the local family and social networks. This will reduce the risk and mitigate the potential impacts on the local community. However, experience from other renewable energy projects in the area is that availability of suitably skilled, even low-skilled workers, is limited. Experience has also shown that the construction of renewable energy projects in the area has impacted on the community of Pofadder while Aggenys has been exposed to construction workers associated with mining. Even though the communities in these towns are accustomed to the presence of construction workers, the presence of workers still poses a risk.

While the risks associated with construction workers at a community level can be mitigated, at an individual and family level they may be significant, especially in the case of contracting a sexually transmitted disease or an unplanned pregnancy. However, given the nature of construction projects it is not possible to totally avoid these potential impacts at an individual or family level.

Table 4.2: Assessment of impact of the presence of construction workers in the area on local communities

Nature: Potential impacts on family structures and social networks associated with the presence of construction workers		
	Without Mitigation	**With Mitigation**
Extent	Local (2)	Local (1)
Duration	Short term for community as a whole (2)	Short term for community as a whole (2)
Magnitude	Moderate for the community as a whole (6)	Low for community as a whole (4)
Probability	Probable (3)	Probable (3)
Significance	Medium for the community as a whole (30)	Low for the community as a whole (21)
Status	Negative	Negative
Reversibility	No in case of HIV and AIDS	No in case of HIV and AIDS
Irreplaceable loss of resources?	Yes, if people contract HIV/AIDS. Human capital plays a critical role in communities that rely on farming for their livelihoods	
Can impact be mitigated?	Yes, to some degree. However, the risk cannot be eliminated	
Mitigation: • Where possible, the proponent should make it a requirement for contractors to implement a 'locals first' policy for construction jobs, specifically for semi and low-skilled job categories. • The proponent and the contractor(s) should develop a code of conduct for the construction phase. The code should identify which types of behaviour and activities are not acceptable. Construction workers in breach of the code should be subject to appropriate disciplinary action and/or dismissed. All dismissals must comply with the South African labour legislation. • The proponent and the contractor should implement an HIV/AIDS awareness programme for all construction workers at the outset of the construction phase. • The contractor should provide transport for workers to and from the site on a daily basis. This will enable the contactor to effectively manage and monitor the movement of construction workers on and off the site. • The contractor must ensure that all construction workers from outside the area are transported back to their place of residence within 2 days for their contract coming to an end. • No construction workers, with the exception of security personnel, should be permitted to stay over-night on the site.		
Residual impacts: Impacts on family and community relations that may, in some cases, persist for a long period of time. Also, in cases where unplanned / unwanted pregnancies occur or members of the community are infected by an STD, specifically HIV and or AIDS, the impacts may be permanent and have long term to permanent cumulative impacts on the affected individuals and/or their families and the community.		

Assessment of No-Go option

There is no impact as the current status quo would be maintained.

4.3.3 Risk to safety, livestock, and farm infrastructure

The presence on and movement of construction workers on and off the site will pose a limited risk to local famers and farm workers in the vicinity of the site. This is due to the small number of affected farmsteads and low intensity of the farming activities in the area due to the low carrying capacity of the veld. Stock theft was however identified as a potential risk. The potential risks including stock theft and safety can be effectively mitigated by careful planning and managing the movement of construction workers on the site during the construction phase. Mitigation measures to address these risks are outlined below.

Table 4.3: Assessment of risk to safety, livestock, and damage to farm infrastructure

Nature: Potential risk to safety of farmers and farm workers, livestock and damage to farm infrastructure associated with the presence of construction workers on site		
	Without Mitigation	**With Mitigation**
Extent	Local (3)	Local (2)
Duration	Short term (2)	Short term (2)
Magnitude	Medium (6)	Low (4)
Probability	Probable (3)	Probable (3)
Significance	Medium (33)	Low (24)
Status	Negative	Negative
Reversibility	Yes, compensation paid for stock losses and damage to farm infrastructure etc.	Yes, compensation paid for stock losses and damage to farm infrastructure etc.
Irreplaceable loss of resources?	No	No
Can impact be mitigated?	Yes	Yes
Mitigation: • The proponent should enter into an agreement with the local farmers in the area whereby damages to farm property etc. during the construction phase will be compensated for. The agreement should be signed before the construction phase commences. • All farm gates must be closed after passing through. • Contractors appointed by the proponent should provide daily transport for low and semi-skilled workers to and from the site. • The proponent should consider the option of establishing a MF (see above) that includes local farmers and develop a Code of Conduct for construction workers. This committee should be established prior to commencement of the construction phase. The Code of Conduct should be signed by the proponent and the contractors before the contractors move onto site. • The proponent should hold contractors liable for compensating farmers and communities in full for any stock losses and/or damage to farm infrastructure that can be linked to construction workers. This should be contained in the Code of Conduct to be signed between the proponent, the contractors, and neighbouring landowners. The agreement should also cover loses and costs associated with fires caused by construction workers or construction related activities (see below). • The Environmental Management Plan (EMP) must outline procedures for managing and storing waste on site, specifically plastic waste that poses a threat to livestock if ingested.		

• Contractors appointed by the proponent must ensure that all workers are informed at the outset of the construction phase of the conditions contained in the Code of Conduct, specifically consequences of stock theft and trespassing on adjacent farms. • Contractors appointed by the proponent must ensure that construction workers who are found guilty of stealing livestock and/or damaging farm infrastructure are dismissed and charged. This should be contained in the Code of Conduct. All dismissals must be in accordance with South African labour legislation. • It is recommended that no construction workers, with the exception of security personnel, should be permitted to stay over-night on the site.
Residual impacts No**,** provided losses are compensated for.

Assessment of No-Go option
There is no impact as the current status quo would be maintained.

4.3.4 Increased risk of grass fires

The presence of construction workers and construction-related activities on the site poses an increased risk of grass fires that could, in turn pose, a threat to livestock, crops, wildlife and farm infrastructure. Although the area is not prone of grass fires, the loss of grazing due to a grass fire would impact significantly on low famers is the area. The potential risk of grass fires will be higher during the dry, windy winter months from May to October.

Table 4.4: Assessment of impact of increased risk of grass fires

Nature: Potential loss of livestock, crops and houses, damage to farm infrastructure and threat to human life associated with increased incidence of grass fires		
	Without Mitigation	**With Mitigation**
Extent	Local (4)	Local (2)
Duration	Short term (2)	short term (2)
Magnitude	Moderate due to reliance on agriculture for maintaining livelihoods (6)	Low (4)
Probability	Probable (3)	Probable (3)
Significance	Medium (36)	Low (24)
Status	Negative	Negative
Reversibility	Yes, compensation paid for stock and crop losses etc.	
Irreplaceable loss of resources?	No	No
Can impact be mitigated?	Yes	
Mitigation: • The proponent should enter into an agreement with the local farmers in the area whereby damages to farm property etc., during the construction phase will be compensated for. The agreement should be signed before the construction phase commences. • Contractor should ensure that open fires on the site for cooking or heating are not allowed except in designated areas. • Smoking on site should be confined to designated areas.		

• Contractor should ensure that construction related activities that pose a potential fire risk, such as welding, are properly managed and are confined to areas where the risk of fires has been reduced. Measures to reduce the risk of fires include avoiding working in high wind conditions when the risk of fires is greater. In this regard special care should be taken during the high-risk dry, windy winter months. • Contractor should provide adequate fire-fighting equipment on-site, including a fire fighting vehicle. • Contractor should provide fire-fighting training to selected construction staff. • No construction staff, with the exception of security staff, to be accommodated on site overnight. • As per the conditions of the Code of Conduct, in the advent of a fire being caused by construction workers and or construction activities, the appointed contractors must compensate farmers for any damage caused to their farms. The contractor should also compensate the fire-fighting costs borne by farmers and local authorities.
Residual impacts No, provided losses are compensated for.

Assessment of No-Go option
There is no impact as it maintains the current status quo.

4.3.5 Nuisance impacts associated with construction related activities

Construction related activities, including the movement of heavy construction vehicles of and on the site, has the potential to create dust, noise and safety impacts and damage roads. The impacts will be largely local and can be effectively mitigated. The number of potentially sensitive social receptors, such as farmsteads, will also be low due to the sparse settlement patterns and small number of farmsteads in the area.

If construction traffic is limited to the R358 and portion of the public gravel road via De Rust east of De Rust, no adjacent farmsteads would be affected.

Table 4.5: **Assessment of the impacts associated with construction related activities**

Nature: Potential noise, dust and safety impacts associated with construction related activities		
	Without Mitigation	**With Mitigation**
Extent	Local (2)	Local (1)
Duration	Short Term (2)	Short Term (2)
Magnitude	Medium (6)	Minor (2)
Probability	Probable (3)	Probable (3)
Significance	Medium (30)	Low (15)
Status	Negative	Negative
Reversibility	Yes	
Irreplaceable loss of resources?	No	No
Can impact be mitigated?	Yes	
Mitigation:		

• The movement of construction vehicles on the site should be confined to agreed access road/s. • Establishment of a Grievance Mechanism that provides local farmers and other road users with an effective and efficient mechanism to address issues related to construction related impacts, including damage to local gravel farm roads. • The movement of heavy vehicles associated with the construction phase should be timed to avoid times days of the week, such as weekends, when the volume of traffic travelling along the access roads may be higher. • Establishment of a Grievance Mechanism that provides local farmers and other road users with an effective and efficient mechanism to address issues related to construction related impacts, including damage to local gravel farm roads. • Dust suppression measures should be implemented, such as wetting on a regular basis and ensuring that vehicles used to transport sand and building materials are fitted with tarpaulins or covers. • All vehicles must be road worthy, and drivers must be qualified and made aware of the potential road safety issues and need for strict speed limits.
Residual impacts If damage to local farm roads is not repaired then this will affect the farming activities in the area and result in higher maintenance costs for vehicles of local farmers and other road users. The costs will be borne by road users who were no responsible for the damage.

Assessment of No-Go option
There is no impact as it maintains the current status quo.

4.4 OPERATIONAL PHASE SOCIAL IMPACTS

Potential positive impacts
- The establishment of infrastructure to improve energy security and support renewable sector.
- Creation of employment opportunities.
- Benefits to the affected landowners.
- Benefits associated with the socio-economic contributions to community development.

Potential negative impacts
- Visual impacts and associated impacts on sense of place.
- Impact on property values.
- Impact on tourism.

4.4.1 Improved energy security and support renewable energy sector

The primary goal of the proposed project is to improve energy security in South Africa by generating additional energy. The proposed SEFs also reduces the carbon footprint associated with energy generation. The project should therefore be viewed within the context of the South Africa's current reliance on coal powered energy to meet the majority of its energy needs, and secondly, within the context of the success of the REIPPPP.

Improved energy security

South Africa's energy crisis, which started in 2007 and is ongoing, has resulted in widespread rolling blackouts (referred to as load shedding) due to supply shortfalls. The load shedding has had a significant impact on all sectors of the economy and on investor confidence. The mining and manufacturing sector have been severely impacted and will continue to be impacted until such time as there is a reliable supply to energy. The Minister of Mineral Resources and Energy, Gwede Mantashe, indicated in February 2023 that the cost of load shedding was estimated at R1 billion a day [16]. The South African Reserve Bank indicated in February 2023 that stage 3 and stage 6 loadshedding cost the South African economy between R204 million and R899 million a day.[17]

A survey of 3 984 small business owners in 2019 found that 44% said that they had been severely affected by load shedding with 85% stating that it had reduced their revenue, with 40% of small businesses losing 20% or more or revenue during due to load shedding period[18].

Impact of a coal powered economy

The Green Jobs study (2011) notes that South Africa has one of the most carbon-intensive economies in the world, thus making the greening of the electricity mix a national imperative. The study notes that renewable energy provides an ideal means for reaching emission reduction targets in a relatively easy manner. In addition, and of specific relevance to South Africa renewable energy is not as dependent on water compared to the massive water requirements of conventional power stations, has a limited footprint and therefore does not impact on large tracts of land, poses limited pollution and health risks, specifically when compared to coal and nuclear energy plants.

The Greenpeace Report (powering the future: Renewable Energy Roll-out in South Africa, 2013), also notes that within a broader context of climate change, coal energy does not only have environmental impacts, it also has socio-economic impacts. These include acid mine drainage from abandoned mines in South Africa and the risk this poses on the country's limited water resources.

Benefits associated with REIPPPP

Through the competitive bidding process, the IPPPP has effectively leveraged rapid, global technology developments and price trends, buying clean energy at lower and lower rates with every bid cycle, resulting in SA getting the benefit of renewable energy at some of the lowest tariffs in the world. The price for wind power has dropped by 50% to R0.94/kWh, while solar PV has dropped with 75% to R1.14/kWh between BW1 and BW4.

Prices contracted under the REIPPPP for all technologies are well below the published REFIT prices. The REIPPPP has effectively translated policy and planning into delivery of clean energy at very competitive prices. As such it is contributing to the national aspirations of secure, affordable energy, lower carbon intensity and a transformed 'green' economy.

[16] https://www.citizen.co.za/news/load-shedding-cost-economy-billion/

[17] https://businesstech.co.za/news/energy/662515/stage-6-load-shedding-costs-south-africa-r900-million-a-day-sarb/

[18] "How does load shedding affect small business in SA?". The Yoco Small Business Pulse (3: Q1 2019):

Table 4.6: Improve energy security and support renewable sector

Nature: Development of infrastructure to improve energy security and support renewable sector		
	Without Mitigation	**With Mitigation**
Extent	Local, Regional and National (4)	Local, Regional and National (5)
Duration	Long term (4)	Long term (4)
Magnitude	High (8)	High (8)
Probability	Highly Probable (4)	Definite (5)
Significance	High (64)	High (85)
Status	Positive	Positive
Reversibility	Yes	
Irreplaceable loss of resources?	Yes, impact of climate change on ecosystems	Reduced CO_2 emissions and impact on climate change
Can impact be mitigated?	Yes	
Enhancement: • Implement a skills development and training programme aimed at maximizing the number of employment opportunities for local community members. • Maximise opportunities for local content, procurement, and community shareholding. • Maximise opportunities for local content and procurement.		
Residual impacts: Overall reduction in CO_2 emission, reduction in water consumption for energy generation, contribution to establishing an economically viable commercial renewables generation sector in the Northern Cape and South Africa.		

Assessment of No-Go option
The No-Development option would represent a lost opportunity for South Africa to supplement its current energy needs with clean, renewable energy.

4.4.2 Creation of employment opportunities

Each PV SEF will create approximately 30 full time employment opportunities during the operational phase, of which 70% will be unskilled, 25% semi-skilled 25%, and 5% skilled 5%. Based on similar projects the annual operating budget for each PV SEF will be in the region of R 30 million (2023 Rand values), including wages. A percentage of the annual operating budget will be spent in the local economy which will benefit local businesses.

Table 4.7: Assessment of employment and business creation opportunities

Nature: Creation of employment and business opportunities associated with the operational phase		
	Without Mitigation	**With Enhancement**
Extent	Local and Regional (1)	Local and Regional (2)
Duration	Long term (4)	Long term (4)
Magnitude	Minor (2)	Low (4)
Probability	Highly Probable (4)	Highly Probable (4)
Significance	Low (28)	Medium (40)
Status	Positive	Positive
Reversibility	N/A	
Irreplaceable loss of resources?	No	
Can impact be enhanced?	Yes	
Enhancement: The enhancement measures listed in Section 4.3.1, i.e. to enhance local employment and business opportunities during the construction phase, also apply to the operational phase.		
Residual impacts: Creation of permanent employment and skills and development opportunities for members from the local community and creation of additional business and economic opportunities in the area		

Assessment of No-Go option
There is no impact as it maintains the current status quo.

4.4.3 Generate income for affected landowners

The proponent will enter into rental agreements with the affected landowners for the use of the land for the establishment of the proposed PV SEFs. In terms of the rental agreement the affected landowner will be paid an annual amount dependent upon the number of wind turbines located on the property. The additional income will reduce the risk to his livelihoods posed by droughts and fluctuating market prices for sheep and farming inputs, such as fuel, feed etc. Given the low carrying capacity of the veld the additional income represents a significant benefit for the affected landowners.

Table 4.8: Assessment of benefits associated with income generated for the affected farmer(s)

Nature: The generation of additional income represents a significant benefit for the local affected farmer(s) and reduces the risks to their livelihoods posed by droughts and fluctuating market prices for sheep and farming inputs, such as feed etc.		
	Without Mitigation	**With Enhancement**
Extent	Local (1)	Local (3)
Duration	Long term (4)	Long term (4)
Intensity	Low (4)	Moderate (6)
Likelihood	Probable (3)	Definite (5)
Significance	Low (27)	Medium (53)
Status	Positive	Positive
Reversibility	Yes	Yes
Can impact be enhanced?	Yes	
Enhancement: Implement agreements with affected landowners.		
Residual impacts: Support for local agricultural sector and farming		

Assessment of No-Go option
There is no impact as it maintains the current status quo.

4.4.4 Benefits associated with socio-economic development contributions

The REIPPPP has been designed not only to procure energy but has also been structured to contribute to the broader national development objectives of job creation, social upliftment and broadening of economic ownership. Socio-economic development (SED) contributions are an important focus of the REIPPPP and are aimed at ensuring that local communities benefit directly from the investments attracted into the area. These contributions are linked to Community Trusts and accrue over the project operation life and, in so doing, create an opportunity to generate a steady revenue stream over an extended period. This revenue can be used to fund development initiatives in the area and support the local community. The long-term duration of the revenue stream also allows local municipalities and communities to undertake long term planning for the area. The revenue from the proposed SEFs can be used to support a number of social and economic initiatives in the area, including:

- Creation of jobs.
- Education.
- Support for and provision of basic services.
- School feeding schemes.
- Training and skills development.
- Support for SMME's.

The minimum compliance threshold for SED contributions is 1% of the revenue with 1.5% the targeted level over the 20-year project operational life. For the current portfolio of projects, the average commitment level is 2%, which is 101% higher than

the minimum threshold level. To date (across BW1-4) a total contribution of R22.8 billion has been committed to SED initiatives. Assuming an even, annual revenue spread, the average contribution per year would be R1.1 billion. Of the total commitment, R18.5 billion is specifically allocated for local communities where the IPPs operate. With every new IPP on the grid, revenues and the respective SED contributions will increase.

As a percentage of revenue, SED obligations become effective only when operations commence, and revenue is generated. Of the 91 IPPs that have reached financial close (BW1–BW4), 85 are operational. The SED contributions associated with these 85 projects has amounted to R 1.8 billion to date.

In terms of ED and SED spend, education, social welfare, and health care initiatives have a SED focus. SED spend on education has been almost double the expenditure on enterprise development. In this regard IPPs have supported 1 388 education institutions with a total of R437 million in contributions, from 2015 to the end of June 2021. A total of 1 276 bursaries, amounting to R210.8 million, have been awarded by 67 IPPs from 2015 until the end of June 2021. The largest portion of the bursaries were awarded to African and Coloured students (97.4%), with women and girls receiving 56.3% of total bursaries. The Northern Cape province benefitted most from the bursaries awarded, with 57.2%, followed by the Eastern Cape (20.2%) and Western Cape (14.1%). Enterprise development and social welfare are the focus areas that have received the second highest share of the contributions to date.

The Green Jobs study (2011) found that the case for renewable energy is enhanced by the positive effect on rural or regional development. Renewable energy facilities located in rural areas create an opportunity to benefit the local and regional economy through the creation of jobs and tax revenues.

Table 4.9: Assessment of benefits associated with socio-economic development contributions

Nature: Benefits associated with support for local community's form SED contributions		
	Without Mitigation	**With Enhancement[19]**
Extent	Local and Regional (2)	Local and Regional (3)
Duration	Long term (4)	Long term (4)
Intensity	Low (4)	Moderate (6)
Likelihood	Probable (3)	Definite (5)
Significance	Medium (30)	High (65)
Status	Positive	Positive
Reversibility	Yes	Yes
Can impact be enhanced?	Yes	
Enhancement: • The proponents should liaise with the KMM to identify projects that can be supported by SED contributions.		

[19] Enhancement assumes effective management of the community trust

• Clear criteria for identifying and funding community projects and initiatives in the area should be identified. The criteria should be aimed at maximising the benefits for the community as a whole and not individuals within the community. • Strict financial management controls, including annual audits, should be instituted to manage the SED contributions.
Residual impacts: Promotion of social and economic development and improvement in the overall well-being of the community

Assessment of No-Go option
There is no impact as it maintains the current status quo. However, the potential opportunity costs in terms of the supporting the social and economic development in the area would be lost. This would also represent a negative impact.

Recommended enhancement measures
To maximise the benefits and minimise the potential for corruption and misappropriation of funds the following measures should be implemented:

4.4.5 Visual impact and impact on sense of place

The proposed PV SEFs have the potential to impact on the areas existing rural sense of place. Due to the location of the proposed PV SEFs and the nature of PV SEFs it will not be possible to effectively mitigate the impact on the areas sense of place. However, based on experience from other PV SEF projects, while some people regard the impact on the area's sense of place as negative, others have indicated that the impacts are regarded as acceptable and do not distract from the area's character. Perceptions of what constitutes a negative visual impact therefore can therefore differ. None of the affected landowners interviewed raised concerns about potential visual impacts.

Table 4.10: Visual impact and impact on sense of place

Nature: Visual impact associated with the proposed facility and associated infrastructure and the potential impact on the areas rural sense of place.		
	Without Mitigation	**With Mitigation**
Extent	Local (2)	Local (2)
Duration	Long term (4)	Long term (4)
Magnitude	Minor-Low (2-4)	Minor-Low (2-4)
Probability	Probable (3)	Probable (3)
Significance	Low-Medium (24-30)	Low-Medium (24-30)
Status	Negative	Negative
Reversibility	Yes, SEF components and other infrastructure can be removed.	
Irreplaceable loss of resources?	No	
Can impact be mitigated?	Yes	
Mitigation: The recommendations contained in the VIA should be implemented.		
Residual impacts: Potential impact on current rural sense of place		

Assessment of No-Go option
There is no impact as it maintains the current status quo.

4.4.6 Potential impact on property values

The potential visual impacts associated with the proposed PV SEFs have the potential to impact on surrounding property values. Based on the results of a literature review undertaken for wind farms[20] the potential impact on property values in rural areas is likely to be limited. In this regard a study undertaken in Australia in 2016 (Urbis Pty Ltd) found that:

- Appropriately located wind farms within rural areas, removed from higher density residential areas, are unlikely to have a measurable negative impact on surrounding land values.
- There is limited available sales data to make a conclusive finding relating to value impacts on residential or lifestyle properties located close to wind farm turbines, noting that wind farms in NSW have been constructed in predominantly rural areas.

The potential visual impacts associated with PV SEFs are typically lower than those associated with WEFs. The potential impact on property values is also likely to be lower. Based on the findings of the literature review the impact of the proposed PV SEFs on property values is therefore likely to be low. This was confirmed by the findings of the SIA. None of the affected landowners raised any concerns about potential impact on property values. There also no eco-tourism of hunting operations located in the vicinity of the PV SEFs whose operations would be affected by the potential visual impact on the areas sense of place.

Table 4.11: Assessment of potential impact on property values and operations

Nature: Potential impact of the SEF on property values		
	Without Mitigation	**With Enhancement / Mitigation**
Extent	Local (2)	Local (2)
Duration	Long term (4)	Long term (4)
Magnitude	Minor (2)	Minor (2)
Probability	Probable (3)	Probable (3)
Significance	Low (24)	Low (24)
Status	Negative	Negative
Reversibility	Yes	Yes
Irreplaceable loss of resources?	No	No
Can impact be enhanced?	Yes	
Enhancement: The recommendations contained in the VIA should be implemented.		
Residual impacts: Linked to visual impact on sense of place.		

[20] The findings are also likely to apply to PV SEFs. The potential impact is also likely to be lower due to the lower potential visual impacts.

Assessment of No-Go option
There is no impact as it maintains the current status quo.

4.4.7 Potential impact on tourism

Based on the location of the proposed PV SEFs the potential impact on tourism at a local and regional level will be negligible. There are no tourism facilities located in the study area. None of the affected landowners interviewed raised concerns regarding the potential impact on tourism facilities in the study area.

Table 4.12: Impact on tourism in the region

Nature: Potential impact of the PV SEFs on local tourism		
	Without Mitigation	**With Enhancement / Mitigation**
Extent	Local (2)	Local (2)
Duration	Long term (4)	Long term (4)
Magnitude	Minor (2)	Minor (2)
Probability	Probable (3)	Probable (3)
Significance	Low (24)	Low (24)
Status	Negative	Negative
Reversibility	Yes	Yes
Irreplaceable loss of resources?	No	No
Can impact be enhanced?	Yes	
Enhancement: The recommendations contained in the VIA should be implemented.		
Residual impacts: Linked to visual impact on sense of place.		

Assessment of No-Go option
There is no impact as it maintains the current status quo.

4.5 ASSESSMENT OF DECOMMISSIONING PHASE

Typically, the major social impacts associated with the decommissioning phase are linked to the loss of jobs and associated income. This has implications for the households who are directly affected, the communities within which they live, and the relevant local authorities. However, in the case of the proposed facility the decommissioning phase is likely to involve the disassembly and replacement of the existing components with more modern technology. This is likely to take place in the 20 - 25 years post commissioning. The decommissioning phase is therefore likely to create additional construction type jobs, as opposed to the jobs losses typically associated with decommissioning. Given the moderate number of people employed during the operational phase (~ 80 for both PV SEFs) the social impacts associated with the decommissioning phase can be effectively managed with the implementation of a retrenchment and downscaling programme. With mitigation, the impacts are

assessed to be Low (negative). Decommissioning will also create temporary employment opportunities, which would represent a positive temporary impact. The significance would be Low with enhancement due to limited opportunities and short duration.

Table 4.13: Social impacts associated with decommissioning

Nature: Social impacts associated with retrenchment including loss of jobs, and source of income. Decommissioning will also create temporary employment opportunities, which would represent a positive temporary impact		
	Without Mitigation	**With Mitigation**
Extent	Local (2)	Local (2)
Duration	Short term (2)	Short term (2)
Magnitude	Moderate (6)	Minor (2)
Probability	Probable (3)	Probable (3)
Significance	Medium (30)	Low (18)
Status	Negative	Negative
Reversibility	Yes	Yes
Irreplaceable loss of resources?	No	No
Can impact be mitigated	Yes	
Mitigation: • The proponent should ensure that retrenchment packages are provided for all staff retrenched when the plant is decommissioned. • All structures and infrastructure associated with the proposed facility should be dismantled and transported off-site on decommissioning.		

4.6 CUMULATIVE IMPACT ON SENSE OF PLACE

The Scottish Natural Heritage (2005) describes a range of potential cumulative landscape impacts associated with wind farms on landscapes[21]. The relevant issues identified by Scottish Natural Heritage study include:

- Combined visibility (whether two or more transmission lines) will be visible from one location).
- Sequential visibility (e.g., the effect of seeing two or more two or more transmission lines) along a single journey, e.g. road or walking trail).
- The visual compatibility of different two or more transmission lines in the same vicinity.
- Perceived or actual change in land use across a character type or region.
- Loss of a characteristic element (e.g. viewing type or feature) across a character type caused by developments across that character type.

[21] The findings are also likely to apply to PV SEFs. The potential impact is also likely to be lower due to the lower potential visual impacts.

The De Rust PV SEFs form part of four renewable energy facilities proposed for the area. The other two include the De Rust South WEF and De Rust North WEF. There are also a number of approved and proposed renewable energy generation applications within the adjacent Springbok REDZ. The potential for combined and sequential visibility impacts therefore exists. However, considering purpose of the establishment of the Springbok REDZ (i.e. to concentrate renewable energy applications within this area) the cumulative visual impact is considered to be within acceptable limits.

Table 4.14: Cumulative impacts on sense of place and the landscape

Nature: Visual impacts associated with the establishment of the PV SEFs and the potential impact on the area's rural sense of place and character of the landscape.		
	Overall impact of the proposed project considered in isolation	**Cumulative impact of the project and other projects in the area**
Extent	Local (2)	Regional (2)
Duration	Long term (4)	Long term (4)
Magnitude	Medium (4)	Medium (4)
Reversibility	Reversible (1)	Reversible (1)
Probability	Probable (3)	Highly Probable (4)
Significance	Low (30)	Moderate (44)
Status	Negative	Negative
Reversibility	Yes. REF components and other infrastructure can be removed.	
Irreplaceable loss of resources?	No	No
Confidence in findings: High.		
Mitigation: Recommendations of VIA should be implemented.		

Assessment of No-Go option
There is no impact as it maintains the current status quo.

Recommended mitigation measures

4.7 CUMULATIVE IMPACT ON LOCAL SERVICES AND ACCOMMODATION

The establishment of the proposed PV SEFs and other renewable energy projects in the area does have the potential to place pressure on the local towns in the area, specifically Pofadder. The impact will depend on the timing of the construction phase for the different projects. However, the potential impact should also be viewed within the context of the potential positive cumulative impacts for the local economy associated with the establishment of the proposed facility and associated renewable energy projects in the area and the adjacent Springbok REDZ. These benefits will create opportunities for investment in the KMM, including the opportunity to up-grade and expand existing services and the construction of new houses. Socio-economic development (SED) contributions also represent an important focus of the REIPPPP and is aimed at ensuring that the build programme secures sustainable value for the country and enables local communities to benefit directly from the investments attracted into the area. The proposed SEFs are also required to contribute a percentage of projected revenues accrued over the 20-year period to SED. This will provide revenue that can be used by the KMM to invest in up-grading local services where required. In should also be noted that it is the function of national, provincial, and local

government to address the needs created by development and provide the required services. The additional demand for services and accommodation created by the establishment of development renewable energy projects should therefore be addressed in the Integrated Development Planning process undertaken by the KMM.

Table 4.15: Cumulative impacts on local services

Nature: The establishment of a number of renewable energy facilities and associated projects, such as the proposed SEF, in the KMM has the potential to place pressure on local services, specifically medical, education and accommodation.		
	Overall impact of the proposed project considered in isolation	**Cumulative impact of the project and other projects in the area**
Extent	Local (1)	Local and regional (2)
Duration	Long term (4)	Long term (4)
Magnitude	Low (4)	Low (4)
Probability	Probable (3)	Highly Probable (4)
Significance	Low (27)	Medium (44)[22]
Status (positive/negative)	Negative	Negative
Reversibility	Yes. REF components and other infrastructure can be removed.	
Loss of resources?	No	No
Mitigation: The proponent should liaise with the KMM to address potential impacts on local services.		

Assessment on No-Go option
There is no impact as it maintains the current status quo.

4.8 CUMULATIVE IMPACT ON LOCAL ECONOMY

In addition to the potential negative impacts, the establishment of renewable energy facilities and associated infrastructure, including the proposed PV SEFs, will also create several socio-economic opportunities for the KMM. The positive cumulative opportunities include creation of employment, skills development and training opportunities, and downstream business opportunities.

The review of the REIPPPP (December 2021) indicates that to date (across BW1-4) a total contribution of R22.8 billion has been committed to SED initiatives. Assuming an even, annual revenue spread, the average contribution per year would be R1.1 billion. Of the total commitment, R18.5 billion is specifically allocated for local communities where the IPPs operate. With every new IPP on the grid, revenues and the respective SED contributions will increase.

The potential cumulative benefits for the local and regional economy are therefore associated with both the construction and operational phase of renewable energy projects and associated infrastructure and extend over a period of 20-25 years. However, steps must be taken to maximise employment opportunities for members from the local communities in the area and support skills development and training programmes.

[22] With effective mitigation and planning the significance can be reduced.

Table 4.16: Cumulative impacts on local economy

Nature: The establishment of renewable energy facilities and associated projects, such as the SEF, in the KMM will create employment, skills development and training opportunities, creation of downstream business opportunities.		
	Overall impact of the proposed project considered in isolation	**Cumulative impact of the project and other projects in the area**
Extent	Local (1)	Local and regional (3)
Duration	Long term (4)	Long term (4)
Magnitude	Low (4)	High (8)
Probability	Highly Probable (4)	Highly Probable (4)
Significance	Medium (36)	High (60)
Status (positive/negative)	Positive	Positive
Reversibility	Yes. REF components and other infrastructure can be removed.	
Loss of resources?	No	No
Confidence in findings: High.		
Mitigation: The proposed establishment of suitably sited renewable energy facilities and associated projects, such as the proposed SEF, within the KMM should be supported.		

Assessment of No-Go option
There is no impact as it maintains the current status quo. This would represent a lost socio-economic opportunity for the KMM.

4.9 ASSESSMENT OF NO-DEVELOPMENT OPTION

The primary goal of the Project is to assist in providing additional capacity to Eskom to assist in addressing the current energy supply constraints. The project also aims to reduce the carbon footprint associated with energy generation. As indicated above, energy supply constraints and the associated load shedding have had a significant impact on the economic development of the South African economy. South Africa also relies on coal-powered energy to meet more than 90% of its energy needs. South Africa is therefore one of the highest per capita producers of carbon emissions in the world and Eskom, as an energy utility, has been identified as the world's second largest producer carbon emissions.

The No-Development option would represent a lost opportunity for South Africa to improve energy security and supplement is current energy needs with clean, renewable energy. Given South Africa's current energy security challenges and its position as one of the highest per capita producers of carbon emissions in the world, this would represent a significant negative social cost.

Table 4.17: Assessment of no-development option

Nature: The no-development option would result in the lost opportunity for South Africa to improve energy security and assist to support with the development of clean, renewable energy

	Without Mitigation[23]	With Mitigation[24]
Extent	Local-International (4)	Local-International (4)
Duration	Long term (4)	Long term (4)
Magnitude	Moderate (6)	Moderate (6)
Probability	Highly Probable (4)	Highly Probable (4)
Significance	Moderate (56)	Moderate (56)
Status	Negative	Positive
Reversibility	Yes. REF components and other infrastructure can be removed.	
Irreplaceable loss of resources?	Yes, impact of climate change on ecosystems	
Confidence in findings: High		
Enhancement: The proposed SEF should be developed, and the mitigation and enhancement measures identified in the SIA and other specialist studies should be implemented.		
Residual impacts: Reduce carbon emissions via the use of renewable energy and associated benefits in terms of global warming and climate change.		

[23] Assumes project is not developed.
[24] Assumes project is developed.

SECTION 5: KEY FINDINGS AND RECOMMENDATIONS

5.1 INTRODUCTION

Section 5 lists the key findings of the study and recommendations. These findings are based on:

- Review of project related information.
- Review of key policy and planning documents.
- Site visits to the study area for other renewable energy projects.
- Interviews with key stakeholders.
- Experience/ familiarity of the author with the area and local conditions.
- Experience with similar projects.

5.2 SUMMARY OF KEY FINDINGS

The key findings of the study are summarised under the following sections:

- Fit with policy and planning.
- Construction phase impacts.
- Operational phase impacts.
- Cumulative impacts.
- Decommissioning phase impacts.
- No-development option.

The social issues and associated significance ratings will be the same for both the FF De Rust PV1 and PV2 SEFs. Separate assessments have therefore not been undertaken.

5.2.1 Policy and planning issues

The development of renewable energy and the associated energy infrastructure is strongly supported at a national, provincial, and local level. The development of and investment in renewable energy and associated energy distribution infrastructure is supported by the National Development Plan (NDP), New Growth Path Framework and National Infrastructure Plan, which all highlight the importance of energy security and investment in energy infrastructure. The development of the proposed SEF and associated infrastructure is therefore supported by key policy and planning documents.

5.2.2 Construction phase impacts

Potential positive impacts

- Creation of employment and business opportunities, and the opportunity for skills development and on-site training.

The construction phase for each PV SEF will extend over a period of approximately 24 months and create in the region of 200-250 employment opportunities. The total wage bill for each PV SEF will be in the region of R 40 million (2023 Rand values). A percentage of the low and semi-skilled employment opportunities will benefit residents

from local towns in the area, including Aggeneys, Pofadder, Springbok and Kakamas. Most the beneficiaries are likely to be historically disadvantaged (HD) members of the community. This would represent a short term positive social benefit in an area with limited employment opportunities. A percentage of the wage bill will be spent in the local economy which will also create opportunities for local businesses.

The capital expenditure associated with each PV SEF will be ~R2 billion (2023 Rand values) and will create opportunities for the local and regional economy. The sector of the local economy most likely to benefit from the proposed development is the local service industry. The potential opportunities for the local service sector would be linked to accommodation, catering, cleaning, transport, and security, etc. associated with the construction workers on the site. However, given the relatively small scale of the development and short construction period the benefits will be limited.

Potential negative impacts

- Impacts associated with the presence of construction workers on local communities.
- Increased risks safety, livestock and farming infrastructure associated with the construction related activities and presence of construction workers on the site.
- Increased risk of grass fires associated with construction related activities.
- Nuisance impacts, such as noise, dust, and safety, associated with construction related activities and vehicles.

The findings of the SIA indicate that the significance of all the potential negative impacts with mitigation are likely to be **Low Negative**. The potential negative impacts can therefore be effectively mitigated if the recommended mitigation measures are implemented. Table 5.1 summarises the significance of the impacts associated with the construction phase.

Table 5.1: Summary of social impacts during construction phase

Impact	Significance No Mitigation/Enhancement	Significance With Mitigation/Enhancement
Creation of employment and business opportunities	Medium (Positive)	Medium (Positive)
Presence of construction workers and potential impacts on family structures and social networks	Medium (Negative)	Low (Negative)
Safety risk, stock theft and damage to farm infrastructure associated with presence of construction workers	Medium (Negative)	Low (Negative)
Increased risk of grass fires	Medium (Negative)	Low (Negative)
Impact of heavy vehicles and construction activities	Medium (Negative)	Low (Negative)

5.2.3 Operational phase impacts

Potential positive impacts

- The establishment of infrastructure to improve energy security and support renewable sector.
- Creation of employment opportunities.
- Benefits for local landowners.
- Benefits associated with socio-economic contributions to community development.

The proposed project will supplement South Africa's energy and assist to improve energy security. In addition, it will also reduce the country's reliance on coal as an energy source. This represents a positive social benefit.

Potential negative impacts

- Noise impacts associated with the operation of the plant.
- Visual impacts and associated impacts on sense of place.
- Potential impact on property values.
- Potential impact on tourism.

The findings of the SIA indicate that the significance of all the potential negative impacts with mitigation are likely to be **Low Negative**. The potential negative impacts can therefore be effectively mitigated. The significance of the impacts associated with the operational phase are summarised in Table 5.2.

Table 5.2: Summary of social impacts during operational phase

Impact	Significance No Mitigation/Enhancement	Significance With Mitigation/Enhancement
Establishment of infrastructure to improve energy security and support renewable sector	High (Positive)	High (Positive)
Creation of employment and business opportunities during maintenance	Low (Positive)	Medium (Positive)
Benefits associated with socio-economic contributions to community development	Medium (Positive)	High (Positive)
Benefits for landowners	Low (Positive)	Medium (Positive)
Visual impact and impact on sense of place	Low-Medium (Negative)	Low-Medium (Negative)
Impact on property values	Low (Negative)	Low (Negative)
Impact on tourism	Low (Negative)	Low (Negative)

5.2.4 Decommissioning

Given the moderate number of people employed during the operational phase (~ 80 for both PV SEFs), the potential negative social impact can be effectively managed with the implementation of a retrenchment and downscaling programme. With mitigation, the impacts are assessed to be Low (negative). Decommissioning will also create temporary employment opportunities. The significance was assessed to be Low (positive).

5.2.5 Cumulative impacts

Cumulative impact on sense of place
The De Rust PV1 and PV2 form part of four renewable energy facilities proposed for the area. The other two include De Rust South WEF and De Rust North WEF. There are also a number of approved and proposed renewable energy generation applications within the adjacent Springbok REDZ. The potential for combined and sequential visibility impacts therefore exists. However, considering purpose of the establishment of the Springbok REDZ (i.e. to concentrate renewable energy applications within this area) the cumulative visual impact is considered to be within acceptable limits.

Cumulative impact on local services and accommodation
The significance of this impact with mitigation was rated as **Low Negative**.

Cumulative impact on local economy
The significance of this impact with enhancement was rated as **High Positive**.

5.2.6 No-development option

The No-Development option would represent a lost opportunity for South Africa to improve energy security and supplement its current energy needs with clean, renewable energy. Given South Africa's current energy security challenges and its position as one of the highest per capita producers of carbon emissions in the world, this would represent a significant negative social cost. The No-Development option is not supported by the findings of the SIA.

5.3 CONCLUSIONS AND RECOMMENDATIONS

The findings of the SIA study indicate that the proposed De Rust PV1 and PV2 SEFs and associated infrastructure will create a number of social and socio-economic benefits, including creation of employment and business opportunities during both the construction and operational phase. The project will also create economic development opportunities for the local community. The enhancement measures listed in the report should be implemented in order to maximise the potential benefits. The significance of this impact is rated as **High Positive**. The proposed development also represents an investment in clean, renewable energy infrastructure, which, given the negative environmental and socio-economic impacts associated a coal-based energy economy and the challenges created by climate change, represents a significant positive social benefit for society as a whole. The Renewable Energy Independent Power Producers Procurement Programme (REIPPPP) has resulted in significant socio-economic benefits, both at a national level and at a local, community level. These benefits are linked to foreign Direct Investment, local employment and procurement and investment in local community initiatives.

The findings also indicate that the potential negative impacts associated with both the construction and operational phase are likely to be **Low Negative** with mitigation. The potential negative impacts can therefore be effectively mitigated if the recommended mitigation measures are implemented.

Statement and reasoned opinion

The establishment of the proposed De Rust PV1 and PV2 SEFs and associated infrastructure is therefore supported by the findings of the SIA.

ANNEXURE A

INTERVIEWS

- Kruger, Mr (telephonic 2023-04-05). Samoep 147/1.
- Steenkamp, Mr (telephonic 2023-04-05). Nouzees 148/9, Houmoed 206/RE.

REFERENCES

- National Energy Act (2008).
- White Paper on the Energy Policy of the Republic of South Africa (December 1998).
- White Paper on Renewable Energy (November 2003).
- Integrated Resource Plan (IRP) for South Africa (2019).
- National Infrastructure Plan (NIP) (2012 and 2021).
- National Development Plan (2011).
- Strategic Environmental Assessment (SEA) for wind and solar PV energy in South Africa (CSIR, 2015).
- Northern Cape Provincial Growth and Development Plan (NCPGDP) (2014)
- Northern Cape Provincial Spatial Development Framework (NCSDF) (2012)
- Namakwa District Municipality Integrated Development Framework (2019/2020 Revision).
- Namakwa District Climate Change Response Plan (2017-2022).
- Khai-Ma Local Municipality Integrated Development Plan (2017-2022).

ANNEXURE B

METHODOLOGY FOR THE ASSESSMENT OF POTENTIAL IMPACTS

Direct, indirect and cumulative impacts of the above issues, as well as all other issues identified will be assessed in terms of the following criteria:

- The **nature**, which shall include a description of what causes the effect, what will be affected and how it will be affected.
- The **extent**, where it will be indicated whether the impact will be local (limited to the immediate area or site of development), regional, national or international. A score between 1 and 5 will be assigned as appropriate (with a score of 1 being low and a score of 5 being high).
- The **duration**, where it will be indicated whether:
  - the lifetime of the impact will be of a very short duration (0–1 years) – assigned a score of 1;
  - the lifetime of the impact will be of a short duration (2-5 years) - assigned a score of 2;
  - medium-term (5–15 years) – assigned a score of 3;
  - long term (> 15 years) - assigned a score of 4; or
  - permanent - assigned a score of 5.
- The **magnitude**, quantified on a scale from 0-10, where a score is assigned:
  - 0 is small and will have no effect on the environment;
  - 2 is minor and will not result in an impact on processes;
  - 4 is low and will cause a slight impact on processes;
  - 6 is moderate and will result in processes continuing but in a modified way;
  - 8 is high (processes are altered to the extent that they temporarily cease); and
  - 10 is very high and results in complete destruction of patterns and permanent cessation of processes.
- The **probability** *of occurrence*, which shall describe the likelihood of the impact actually occurring. Probability will be estimated on a scale, and a score assigned:
  - Assigned a score of 1–5, where 1 is very improbable (probably will not happen);
  - Assigned a score of 2 is improbable (some possibility, but low likelihood);
  - Assigned a score of 3 is probable (distinct possibility);
  - Assigned a score of 4 is highly probable (most likely); and
  - Assigned a score of 5 is definite (impact will occur regardless of any prevention measures).
- The **significance**, which shall be determined through a synthesis of the characteristics described above (refer formula below) and can be assessed as low, medium or high.
- The **status**, which will be described as either positive, negative or neutral.
- The *degree* to which the impact can be *reversed*.
- The *degree* to which the impact may cause *irreplaceable loss of reso*urces.
- The *degree* to which the impact can be *mitigated.*

The **significance** is determined by combining the criteria in the following formula:

S=(E+D+M)P; where

S = Significance weighting
E = Extent

D = Duration
M = Magnitude
P = Probability

The **significance weightings** for each potential impact are as follows:

- < 30 points: Low (i.e. where this impact would not have a direct influence on the decision to develop in the area),
- 30-60 points: Medium (i.e. where the impact could influence the decision to develop in the area unless it is effectively mitigated),
- > 60 points: High (i.e. where the impact must have an influence on the decision process to develop in the area).

ANNEXURE C

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(E-Mail) **tony@tonybarbour.co.za**

Tony Barbour's has 28 years' experience as an environmental consultant, including ten years as a consultant in the private sector followed by four years at the University of Cape Town's Environmental Evaluation Unit. He has worked as an independent consultant since 2004, with a key focus on Social Impact Assessment. His other areas of interest include Strategic Environmental Assessment and review work.

EDUCATION

- BSc (Geology and Economics) Rhodes (1984);
- B Economics (Honours) Rhodes (1985);
- MSc (Environmental Science), University of Cape Town (1992)

EMPLOYMENT RECORD

- Independent Consultant: November 2004 – current;
- University of Cape Town: August 1996-October 2004**:** Environmental Evaluation Unit (EEU), University of Cape Town. Senior Environmental Consultant and Researcher;
- Private sector: 1991-August 2000: 1991-1996**:** Ninham Shand Consulting (Now Aurecon, Cape Town). Senior Environmental Scientist; 1996-August 2000: Steffen, Robertson and Kirsten (SRK Consulting) – Associate Director, Manager Environmental Section, SRK Cape Town.

LECTURING

- University of Cape Town: Resource Economics; SEA and EIA (1991-2004);
- University of Cape Town: Social Impact Assessment (2004-current);
- Cape Technikon: Resource Economics and Waste Management (1994-1998);
- Peninsula Technikon: Resource Economics and Waste Management (1996-1998).

RELEVANT EXPERIENCE AND EXPERTISE

Tony Barbour has undertaken in the region of 300 SIA's, including SIA's for infrastructure projects, dams, pipelines, and roads. All of the SIAs include interacting with and liaising with affected communities. In addition, he is the author of the Guidelines for undertaking SIA's as part of the EIA process commissioned by the Western Cape Provincial Environmental Authorities in 2007. These guidelines have been used throughout South Africa.

Tony was also the project manager for a study commissioned in 2005 by the then South African Department of Water Affairs and Forestry for the development of a Social Assessment and Development Framework. The aim of the framework was to enable the Department of Water Affairs and Forestry to identify, assess and manage social impacts associated with large infrastructure projects, such as dams. The study also included the development of guidelines for Social Impact Assessment, Conflict Management, Relocation and Resettlement and Monitoring and Evaluation.

Countries with work experience include South Africa, Namibia, Angola, Botswana, Zambia, Lesotho, Swaziland, Ghana, Mozambique, Mauritius, Kenya, Ethiopia, Oman, South Sudan, Senegal, Sudan, and Armenia.

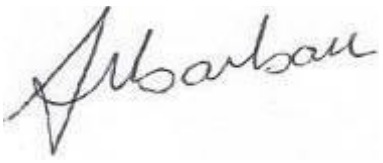
ANNEXURE D

The specialist declaration of independence in terms of the Regulations_

I, ~~Tony Barbour~~ , declare that --

General declaration:

I act as the independent specialist in this application;
I will perform the work relating to the application in an objective manner, even if this results in views and findings that are not favourable to the applicant;
I declare that there are no circumstances that may compromise my objectivity in performing such work;
I have expertise in conducting the specialist report relevant to this application, including knowledge of the Act, Regulations and any guidelines that have relevance to the proposed activity;
I will comply with the Act, Regulations and all other applicable legislation;
I have no, and will not engage in, conflicting interests in the undertaking of the activity;
I undertake to disclose to the applicant and the competent authority all material information in my possession that reasonably has or may have the potential of influencing - any decision to be taken with respect to the application by the competent authority; and - the objectivity of any report, plan or document to be prepared by myself for submission to the competent authority;
all the particulars furnished by me in this form are true and correct;
and
I realise that a false declaration is an offence in terms of regulation 48 and is punishable in terms of section 24F of the Act.



Signature of the specialist:

Tony Barbour Environmental Consulting and Research

Name of company (if applicable):

10 April 2023

Date: