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SOCIAL STATEMENT

PART 1 EA AMENDMENT APPLICATION FOR THE PROPOSED AMENDMENTS TO THE EA, INCLUDING EXTENSION OF THE VALIDITY PERIOD FOR ENVIRONMENTAL AUTHORISATION (12/12/20/2463/1/AM9)

DE AAR 2 SOUTH WIND ENERGY FACILITY

NOVEMBER 2022

By

Tony Barbour

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1. INTRODUCTION AND BACKGROUND

The proposed Mulilo De Aar 2 South Wind Energy Facility (WEF) is situated within the Emthanjeni Local Municipality and Renosterberg Local Municipality, approximately 20km east of De Aar, in the Northern Cape Province on the following properties:

- Slingers Hoek (Farm No. 2 Remainder of Portion 2 and Remainder).
- Slingers Hoek (Farm No. 2 Portion 4).
- Knapdaar (Farm No. 8 Portion 1).
- Maatjes Fountain (Farm No. 1 Portion 5).
- Vendussie Kuil (Farm No. 165 Remainder of Portion 2, and Portion 7).
- Vendussie Kuil (Farm No. 165 Portion 11 and Remainder).
- Vendussie Kuil (Farm No. 165 Portion 7).

The original Environmental Authorisation (EA) for the De Aar 2 South Wind Energy Facility (WEF) was issued on 01 May 2013 and was valid until 1 March 2023 (as per EA amendment decision dated 21 June 2021, DEA ref: 12/12/20/2463/1/AM8). A Part 1 EA Amendment Application for the project (including amendments to the project description, extension of the validity period, and inclusion of an erroneously omitted listed activity and land portion) was subsequently made in November 2022 to the Department of Forestry, Fisheries & Environment (DFFE), which is the Competent Authority for this project.

The original EA (1 March 2013) authorised the construction of approximately 103 wind turbines, with an overall potential generation capacity of 155 –258 MW, and associated infrastructure. A Part 2 EA amendment process was undertaken in 2015, which included a reduction in the number of turbines at the WEF (i.e. reduced from 103 turbines to a maximum of 61 turbines), as well as amendments to the turbine specifications. The number of turbines will be further reduced to a maximum of 26 turbines (through the current Part 1 Amendment process, AM9). The proposed final layout of the WEF comprises up to 28 possible Wind Turbine Generator (WTG) positions, of which a maximum of 26 WTGs would be constructed with a total capacity of up to 140 MW. An updated final layout for Mulilo De Aar 2 South WEF is currently out for public comment as part of a public participation process (PPP), for approval as part of the EMPr and Final Layout Plan approval process. The layout was guided by the Environmental Sensitivity Map which resulted from the specialist input obtained and which was again updated and confirmed in September 2022.

The power generated by the project will be transmitted to the national grid via a proposed on-site Eskom Switching Station. This Switching Station will connect via a 132 kV overhead line to a new Main Transmission Substation (MTS).

The proposed amendments that are included in the subject Part 1 Application for Amendment of the EA include the following:

- Proposed extension of the EA validity by 2 years, from the current expiry date of 01 March 2023 to 01 March 2025.
- Proposed amendments to the project description in the EA, including:
  - Reduction in the number of turbines: from the authorised "25 – 61" to "up to 26".
  - Width of proposed roads: i.e. amend from the authorised "4m wide" roads to 6m wide roads);
  - Foundation dimensions**:** Change from the authorised "*18.4m in diameter that narrows up to 10.6m at the surface (the visible portion) with a depth of 3.5 once completed*", to foundations up to maximum 24m diameter at lowest point and up to 12m diameter at surface.

- Hardstand dimensions: Change from the authorised "*A permanent hard standing made of compacted gravel and approximately 50 m x 40 m would be constructed adjacent to each turbine location for the crane*", to hardstands with approximate footprint up to 0.47 ha per WTG adjacent to and surrounding each WTG.
- Co-ordinates of IPP Substation, Control & O&M Building: amendment to the co-ordinates of the substation.
- Temporary Laydown Areas: No changes to the development footprint are proposed, but further detail to be included in the EA (i.e. WTG component laydown, concrete batching plant, office yard).
- Internal reticulation: Change from the authorised "22 kV" to 33 kV.
- Removing the specified MW generation capacity per turbine
- Inclusion of the words "up to" in front of the currently authorised turbine specifications for hub height and rotor diameter

- Proposed amendment to include an erroneously omitted Listed Activity into the EA i.e. Activity 15 of GN R. 545 (Listing Notice 2), into the EA, which was assessed in the EIA process for the project, however erroneously omitted from the Application Form and EIA Report.
- Addition of Portion 7 of Farm Vendussie Kuil No. 165 into the EA (given that a section of a proposed road would cross the corner of Portion 7 of Farm No. 165, which is currently not included in the EA). This property was included and assessed in the combined EIA process and reporting for the De Aar 2 South WEF and De Aar 2 North WEF in 2011- 2013.

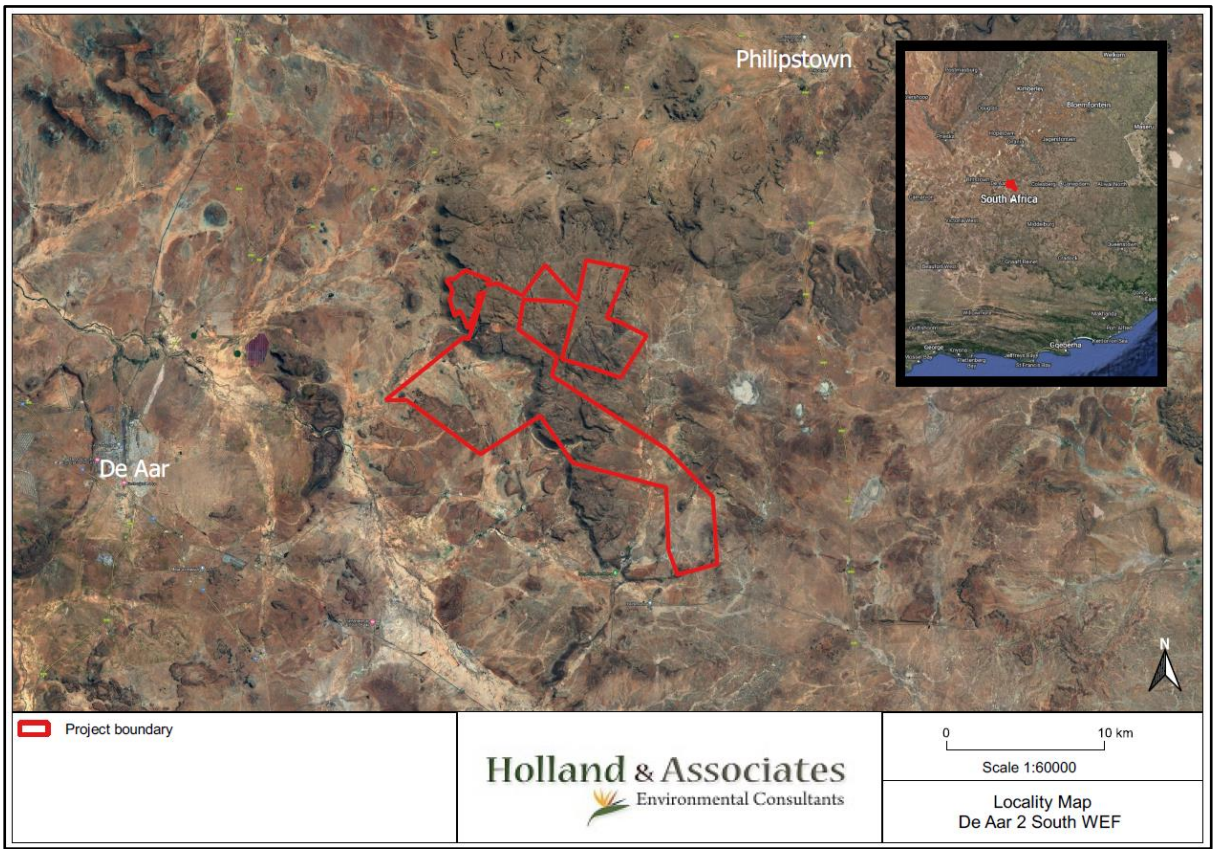


Figure 1: Location of Mulilo De Aar 2 South WEF

2. TERMS OF REFERENCE

The Terms of Reference (ToR) for the specialist inputs into the provision of a specialist statement for the Application for Amendment of the Environmental Authorisation and Part 1 EA Amendment Application for the extension of the validity period require:

- Description of the status (baseline) of the environment that was assessed during the initial assessment.
- Confirmation of the current status of the assessed environment.
- Description and assessment of any changes to the environment that has occurred since the initial EA was issued, if any.
- Indication if the impact rating as provided in the initial assessment remains valid; if the mitigation measures provided in the initial assessment are still applicable; or if there are any new mitigation measures which need to be included into the EA/EMPr, should the request to extend the commencement period, and other proposed amendments, be granted by the Department.
- Indication if there are any new assessments and/or guidelines which are now relevant to the authorised development which were not undertaken as part of the initial assessment, must be taken into consideration, and addressed in the specialist statement/ report.
- Description and an assessment of the surrounding environment, in relation to new developments or changes in land use which might impact on the authorised project, the assessment must consider the following:
  - Similar developments within a 30km radius.
  - Identified cumulative impacts must be clearly defined, and where possible the size of the identified impact must be quantified and indicated, i.e., hectares of cumulatively transformed land.
  - Detailed process flow and proof must be provided, to indicate how the specialist's recommendations, mitigation measures and conclusions from the various similar developments in the area were taken into consideration in the assessment of cumulative impacts and when the conclusion and mitigation measures were drafted for this project.
  - The cumulative impacts significance rating must also inform the need and desirability of the proposed development.
  - A cumulative impact environmental statement on whether the proposed development must proceed.

The study must conclude the following:

- Has the baseline status of the receiving environment changed significantly since the original EIA in 2012?
- Is the initial impact rating undertaken during the initial assessment still valid?
- Are the mitigation measures provided in the initial assessment (or subsequent updated assessments) still applicable?
- Are there any new mitigation measures that should be added to the EA/ EMPr if the DFFE decides to approve the amendments?
- Describe any update/new mitigations (or refer to them in the EMPr update report), where relevant.
- Are the proposed amendments, including proposed extension of the validity period, acceptable (relative to your area of expertise)?

3. APPROACH TO PREPARING SOCIAL STATEMENT

The approach to preparing the Social Statement for the Part 1 EA Amendment Application is based on the Western Cape Department of Environmental Affairs and Development Planning Guidelines for Social Impact Assessment (DEADP, 2007). These guidelines are

based on international best practice. The approach to preparing the Social Statement included:

- A review of the findings of the EIA undertaken by Aurecon in 2011 - 2013 (Final EIA Report dated April 2012) as part of the original EIA with a specific focus on the social and socio-economic findings.
- Review of key national policy and planning documents that are relevant to the renewable energy sector.
- Review of the latest policy and planning documents for the study area.
- Review of the baseline socio-economic data for the study area.

4. SPECIALIST DETAILS

Tony Barbour 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, including ~ 140 SIAs for renewable energy facilities, 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 A contains a copy of Mr Barbour's CV.

5. DECLARATION OF INDEPENDENCE

This confirms that Tony Barbour, the specialist consultant responsible for undertaking the study and preparing the Social Statement, is independent and does not have any vested or financial interests in the proposed WEF being either approved or rejected. A signed declaration is contained in Annexure B.

6. OVERVIEW OF BASELINE CONDITIONS

The overview of socio-economic and social baseline conditions can be divided into two sections, firstly an overview of key policy and planning documents that are relevant to the renewable energy sector and the relevant study area, and secondly an overview of municipal level demographic data for the study area.

6.1 Policy and planning documents

Chapter 2, Relevant energy legislation and policies (p21) of the EIA (Aurecon, 2012) provides an overview of the policy and legislative context in which the development of renewable energy projects in South Africa. The following policies are discussed.

- White Paper on the Energy Policy of the Republic of South Africa (1998).
- White Paper on Renewable Energy (2003).
- National Energy Act (No. 34 of 2008) and Electricity Regulation Act (ERA) (No. 4 of 2006).
- Integrated Energy Plan for the Republic of South Africa (2003).
- Integrated Resource Plan (2010).
- Regional Methodology for Wind Energy Site Selection (Department of Environmental Affairs and Development Planning (DEA&DP), 2006) Guideline document).

The EIA also notes that the Scoping Phase also involved a desktop review of the following municipal documents:

- Pixley ka Seme District Municipality (DM) Integrated Environmental Management Program (IEMP)(African EPA, 2007).
- Pixley ka Seme District Municipality Spatial Development Framework (SDF) (2007).
- Emthanjeni LM SDF (Macroplan, 2007).

The EIA did not include a review of the Emthanjeni Integrated Development Plan (IDP), which would have been for the five year period 2012-2017.

Given that the EIA was undertaken in 2011 - 2013 there have been changes to some key national policy documents, specifically the Integrated Resource Plan (2010), and local planning documents, including the IDP and Spatial Development Framework (SDF).

As part of the EA amendment process the latest local policy documents have been reviewed, including the Integrated Resource Plan (2019), Pixley ka Seme District Municipality Integrated Development Plan (2019-2020), Pixley ka Seme District Municipality Spatial Development Framework (2017) and Emthanjeni Local Municipality Integrated Development Plan (2021-2022). A detailed annual review of the Independent Power Producers Procurement Programme (IPPPP) is also undertaken each year by the Department of Energy, National Treasury and DBSA. The most recent was in December 2021. Annexure C contains a summary of the review of these documents.

6.2 Overview of local socio-economic conditions

Section 4 of the EIA Report (Aurecon, 2012), Assessment of potential impacts and possible mitigation measures, p47, includes a description of the construction and operational phase impacts on the local economy and social conditions (Section 4.3.4 and 4.4.8, p82 and p103). Other socio-economic and social issues assessed for the operational and construction phase included:

- 4.3.2 and 4.4.7: Visual impacts (p73 and p102).
- 4.3.3: Impact on energy production (p81).
- 4.3.5: Impact on agricultural land (p84).
- 4.3.6 and 4.4.10: Impact of noise (p88 and p104).
- 4.4.9: Impact on transport (p103).
- 4.4.12: Dust impacts (p106).

The assessment of the impact on local economy and social conditions (Section 4.3.4 and 4.4.8, p82 and 103) provides the following description of the environment:

De Aar is located within the Emthanjeni Local Municipality (LM) of the Pixley ka Seme District of the Northern Cape. The Emthanjeni LM had a total population of 38 612 in 2010 and an average annual population growth rate of -0.7 % (1996-2008) (Urban-Econ, 2010 in DJ Environmental Consultants, 2010). Although the unemployment rate is only 26 %, the economically inactive population amounts to 46.9 %. The skills levels in the municipality is generally low (32 % of labour force are unskilled workers) as is annual household income (79.8 % of households earn low-income annual salaries). The four main languages spoken in the Northern Cape are Afrikaans, English, IsiXhosa and Tswana. According to a Socio-economic Impact Assessment (Urban-Econ, 2010 in DJEC, 2010), the local area has a diverse economy, while the main sectors contributing to the Gross Geographic Product (GGP) in 2008 included the financial and business services sector (21.6 %), the general government sector (21.1 %) and the trade sector (15.5 %). The general government sector employs more than 24 % of the share of total labour, while the agricultural sector employs 21.5 % of the labour and a total of 19 % of the labour is employed in the trade sector. De Aar has the largest abattoir in the southern hemisphere and supplies all the major centres throughout the country with the famous "Karoo" lamb and mutton. Sheep farms around De Aar are also major suppliers of wool (Emthanjeni Local Municipality, 2009). De Aar is a declared industrial growth point and is trying to position itself as an attractive location for industry in the Northern Cape[1]. Industrial sites are reasonably priced, and De Aar is centrally located with excellent rail and road links.

[1] http://www.deaar.co.za/, accessed 29/10/11

De Aar is the second most important railway junction in the country as its central to Gauteng, Cape Town, Port Elizabeth, and Namibia (Macroplan, 2007).

Philipstown is located within the Renosterberg Local Municipality (LM) of the Pixley ka Seme District of the Northern Cape. Philipstown falls primarily in a farming region comprising of mostly wool industries and hunting lodges. The site is located in a rural area and as such the population density is very low, with neighbouring farms located great distances from each other. The De Aar area has large areas of land which are very dry and the farmers struggle to earn a living from the land. Employment opportunities in the immediate area predominately stem from farming.

Given that the EIA was undertaken in 2011 - 2013 the baseline socio-economic conditions are dated. Annexure D contains a summary of the baseline socio-economic conditions for the Emthanjeni Local Municipality based on the latest available information from the 2016 Community Household Survey and other sources.

7. ASSESSMENT SOCIO-ECONOMIC AND SOCIAL ISSUES

7.1 Introduction

Chapter 4, Assessment of potential impacts and possible mitigation measures (p47), of the EIA (Aurecon 2012), provides a description and assessment of the construction and operational phase impacts on the socio-economic environment. The methodology used to assign significance ratings is outlined in Annexure D in the EIA Report (dated April 2012).

The construction phase impacts that have a bearing on the social environment are:

- Visual impacts.
- Impact on local economy (employment) and social conditions.
- Impact on transport.
- Noise pollution.
- Dust impact.

The significance ratings indicated in the EIA Report (dated April 2012) are summarized in Table 1.

Table 1: Construction Phase Impacts (Aurecon, 2012)

Impact	**Rating without Enhancement/Mitigation**	**Rating with Enhancement/Mitigation**
Visual impact	Medium (-)	Low (-)
Impact on local economy (employment) and social conditions	Medium (+)	Medium (+)
Impact on transport	Low (-)	Low (-)
Noise pollution	Very Low (-)	Very Low (-)
Dust impact	Low (-)	Very Low (-)

The operational phase impacts that have a bearing on the social environment are:

- Visual impacts.
- Impact on energy production.
- Impact on local economy (employment) and social conditions.
- Impact on agricultural land.
- Impact of noise.

The significance ratings indicated in the EIA Report (dated April 2012) are summarized in Table 2.

Table 2: Operational Phase Impacts (Aurecon, 2012)

Impact	Significance without Enhancement/Mitigation	Significance with Enhancement/Mitigation
Visual impact	High (-)	High (-)
Impact on energy production	Low (+)	Low (+)
Impact on local economy (employment) and social conditions	Medium (+)	Medium (+)
Impact on agricultural land	Low (-)	Low (-)
Noise pollution	Very Low (-)	Very Low (-)

7.2 Comment on findings

Based on the authors experience the significance ratings contained in the EIA (Aurecon 2012) with respect to the impact on the social and socio economic environment as reflected in Table 1 and 2 remain valid. The mitigation measures listed are also regarded as appropriate.

However, several potential social issues associated with the construction and operational phase were not assessed. These are outlined below:

Construction phase

The following potential social impacts were not assessed in the 2012 EIA, and consideration and assessment of such impacts has been undertaken for the EA amendment application process, as best practice. (Note: These are not new impacts as a result of the proposed amendments, but rather impacts that would also have been applicable to the originally assessed project).

- Impacts associated with the presence of construction workers on local communities (-).
- Impacts related to the potential influx of jobseekers (-).
- Increased risks to 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 (-).

The author has undertaken in the region of 140 SIAs for renewable energy projects, including renewable energy projects located in the vicinity of De Aar. Based on the findings of these SIAs, the significance of all the potential negative impacts with mitigation is likely to be Low. The negative impacts can therefore be effectively mitigated. Table 3 provides a summary of the potential significance ratings for the social impacts associated with the construction phase based on the author's experience.

Table 3: Additional social impacts during construction phase

Impact	Significance without Mitigation/Enhancement	Significance with Mitigation/Enhancement
Presence of construction workers and potential impacts on family structures and social networks	Low (Negative)	Low (Negative)
Influx of job seekers	Low (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)

The following mitigation measures for the construction phase should be implemented.

- Preparation and implementation of a Stakeholder Engagement Plan (SEP) which both include a Grievance Mechanism that enables stakeholders to report resolve incidents.
- Before construction enter into an agreement with applicable the local farmers in the area whereby damages to farm property etc., caused by construction will be compensated for.
- Implement strict measures (as per the contractors Health and Safety (H&S) plan) to prevent fires on site.
- In the advent of a fire being caused by construction activities, the responsible contractor must compensate farmers for any reasonable and related damage caused to their farms, and for applicable fire-fighting costs incurred.

Operational phase

The following social impacts were not assessed in the 2012 EIA, and consideration and assessment of such impacts has been undertaken for the EA amendment application process, as best practice. (Note: These are not new impacts as a result of the proposed amendments, but rather impacts that would also have been applicable to the originally assessed project).

- Benefits for local landowners (+).
- Benefits associated with socio-economic contributions to community development (+).
- Potential impact on property values (-).
- Potential impact on tourism (-).

The author has undertaken in the region of 140 SIAs for renewable energy projects, including renewable energy projects located in the vicinity of De Aar. Based on the findings of these SIAs, the significance of all the potential negative impacts with mitigation is likely to be Low. The negative impacts can therefore be effectively mitigated. Table 4 provides a summary of the potential significance ratings for the social impacts associated with the construction phase based on the authors experience.

Table 4: Additional social impacts during operational phase

Impact	Significance No Mitigation/Enhancement	Significance With Mitigation/Enhancement
Benefit associated with community trust	Moderate (Positive)	High (Positive)

Benefits for landowners	Low (Positive)	Medium (Positive)
Impact on property values	Low (Negative)	Low (Negative)
Impact on tourism	Low (Negative)	Low (Negative)

The following mitigation measures for the operational phase should be implemented

- Clear criteria, aimed at maximizing the benefits for the community as a whole, for identifying and funding community projects and initiatives in the area should be identified.
- Strict financial management controls, including annual audits, should be instituted to manage the funds generated for the Community Trust.
- Recommendations contained in the VIA should also be implemented.

8. ASSESSMENT CUMULATIVE IMPACTS

The potential cumulative impacts associated with the proposed De Aar 2 South WEF include the cumulative impact on the areas sense of place, cumulative impact on services, specifically during the construction phase, and cumulative impact on the local economy.

8.1 Cumulative impact on sense of place

The key concerns in terms of cumulative impacts are linked to visual impacts and the impact on rural, undeveloped landscapes. The Scottish Natural Heritage (2005) describes a range of potential cumulative landscape impacts associated with wind farms on landscapes. These issues raised in these guidelines as to what defines a cumulative impact are also regarded as pertinent to solar facilities, specifically given that the key issue of concern is likely to relate to the impact on rural, undeveloped landscapes. The relevant issues identified by Scottish Natural Heritage study include:

- Combined visibility (whether two or more wind farms will be visible from one location).
- Sequential visibility (e.g., the effect of seeing two or more wind farms along a single journey, e.g., road or walking trail).
- The visual compatibility of different wind farms 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.

The guidelines also note that cumulative impacts need to be considered in relation to dynamic as well as static viewpoints. The experience of driving along a tourist road, for example, needs to be considered as a dynamic sequence of views and visual impacts, not just as the cumulative impact of several developments on one location. The viewer may only see one wind farm at a time, but if each successive stretch of the road is dominated by views of a wind farm, then that can be argued to be a cumulative visual impact (National Wind Farm Development Guidelines, DRAFT - July 2010). As indicated in Figure 2, there are a number of renewable energy facilities located in the vicinity of De Aar, specifically in the area to the north-east of the town where the De Aar 2 South WEF is located. The potential for cumulative impacts associated with combined visibility (whether two or more solar facilities will be visible from one location) and sequential visibility (e.g., the effect of seeing two or more solar facilities along a single journey) therefore exists. However, the site is relatively remote and the renewable energy facilities are largely concentrated in the area to the northeast of De Aar. While this does not necessarily reduce the cumulative visual impact on the areas sense of place, it does assist to confine the impact to a relatively concentrated area.

Based on SIAs undertaken by the author for other renewable energy projects located in the vicinity of De Aar the significance of the cumulative impact on sense of place is rated as **Medium Negative** with mitigation (Table 5)[2].

Table 5: Cumulative impacts on sense of place and the landscape

Nature: Visual impacts associated with the establishment of more than one renewable energy facility 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 (1)	Local and regional (2)
Duration	Long term (4)	Long term (4)
Magnitude	Moderate (6)	Moderate (6)
Probability	Highly Probable (4)	Highly Probable (4)
Significance	Medium (44)	Medium (48)
Status (positive/negative)	Negative	Negative
Reversibility	Yes. WEF components and other infrastructure can be removed.	
Loss of resources?	No	No
Can impacts be mitigated?	Yes	Yes
Confidence in findings: High.		

[2] The cumulative impact on sense of place associated with 26 wind turbines is likely to be considerably lower than the cumulative impact associated with the originally proposed 103 wind turbines.

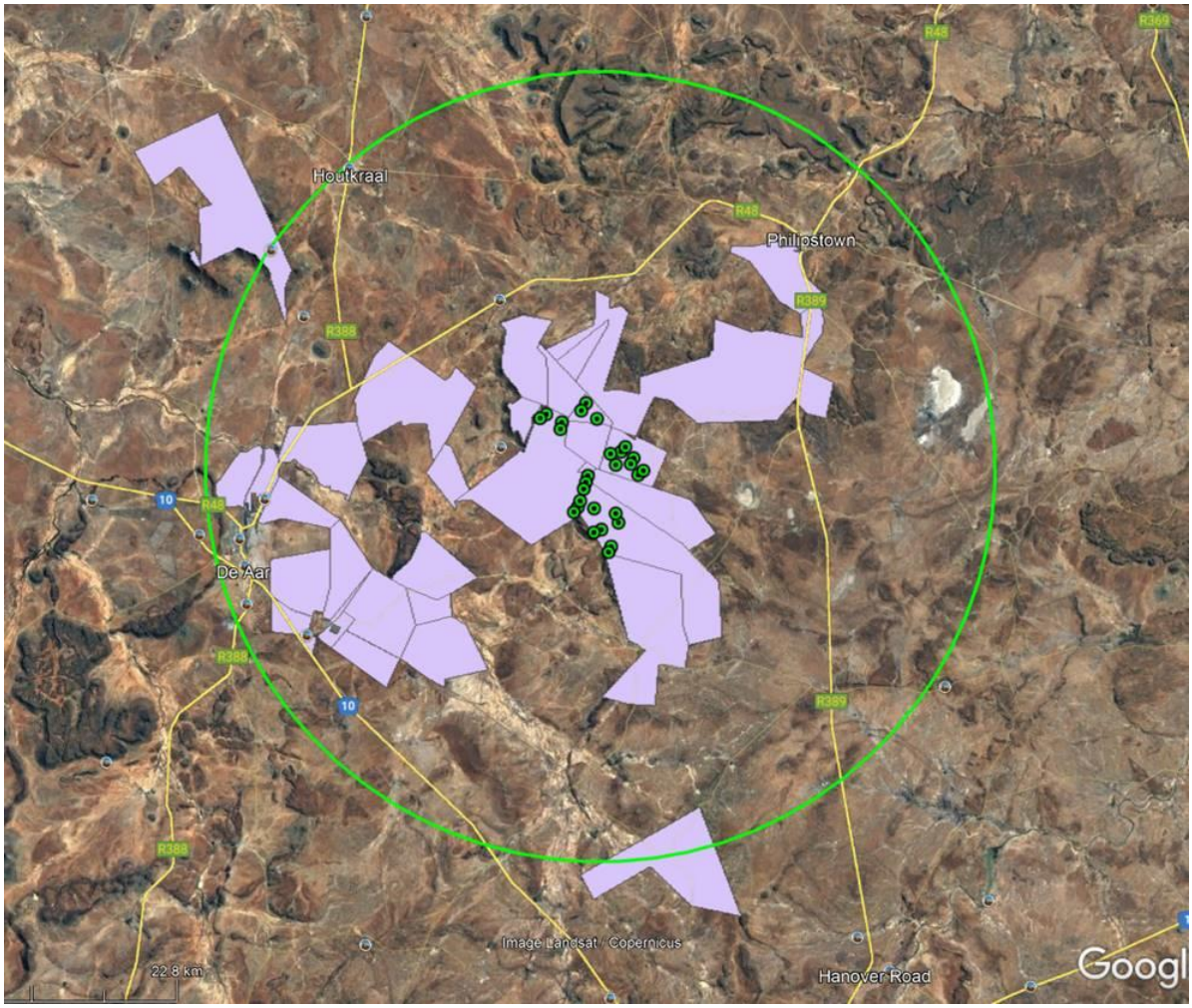


Figure 2: Location of other authorised renewable energy facilities within a 30 km radius of the site (DFFE REEA Q2 2022)

8.2 Cumulative impact on local services and accommodation

The establishment of the proposed De Aar 2 South WEF and the other renewable energy facilities in the ELM has the potential to place pressure on local services in nearby towns, specifically De Aar. Services affected include medical, education and accommodation. This pressure will be associated with the influx of workers to the area associated with the construction phases, and to a lesser extent, the operational phases. The potential impact on local services can be mitigated by employing local community members.

However, this impact should also be viewed within the context of the potential positive cumulative impacts for the local economy associated with the establishment of a renewable projects in the area. These benefits will create opportunities for investment in the ELM, including the opportunity to up-grade and expand existing services.

Based on SIAs undertaken by the author for other renewable energy projects located in the vicinity of De Aar the significance of the cumulative impact on local services and accommodation is rated as **Low Negative** with mitigation (Table 6).

Table 6: Cumulative impacts on local services

Nature: The establishment of a number of renewable energy facilities in the ELM 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)	Probable (3)
Significance	Low (27)	Medium (30)
Status (positive/negative)	Negative	Negative
Reversibility	Yes. WEF components and other infrastructure can be removed.	
Loss of resources?	No	No
Can impacts be mitigated?	Yes	Yes
Confidence in findings: High.		

8.3 Cumulative impact on local economy

The establishment of a number of renewable energy facilities in the area, including the De Aar 2 South WEF, will create socio-economic opportunities for the ELM, which, in turn, will result in positive social benefits. The positive cumulative impacts include the creation of employment, skills development and training opportunities, and downstream business opportunities. The potential cumulative benefits for the local and regional economy are associated with both the construction and operational phase of renewable energy projects and extend over a period of at least 20-25 years.

Based on SIAs undertaken by the author for other renewable energy projects located in the vicinity of De Aar the significance of the cumulative impact on local services and accommodation is rated as **High Positive** with enhancement (Table 7).

Table 7: Cumulative impact on local economy

Nature: The establishment of a number of renewable energy facilities in the ELM 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 (2)
Duration	Long term (4)	Long term (4)
Magnitude	Moderate (6)	Moderate (6)
Probability	Probable (3)	Definite (5)
Significance	Medium (33)	High (60)
Status (positive/negative)	Positive	Positive
Reversibility	Yes. WEF components and other infrastructure can be removed.	
Loss of resources?	No	No
Can impacts be mitigated?	Yes	
Confidence in findings: High.		

The following mitigation measures for the operational phase should be implemented

- The proponent should liaise with the ELM and local business sector to identify strategies aimed at maximising the potential benefits associated with the project.
- Local skills development and training program should be developed and implemented in consultation with the ELM.

9. CONCLUSION

9.1 Status of baseline social environment

Land uses

There has been negligible change in the land uses and farming activities on the affected farm properties. The baseline has therefore not changed significantly at a site-specific level.

Socio-economic environment

The socio-economic baseline conditions in De Aar and the ELM have changed since 2012 when the EIA was undertaken. These changes include increase in population, changes in economic activities, specifically the impact of COVID-19 on the local economy (2019-2020/22). These changes do not however have a material bearing on the findings of the EIA undertaken in 2012. Annexure B contains an updated summary of the socio-economic baseline conditions in the ELM.

Policy and planning documents

A number of the policy and planning documents referred to in the 2012 EIA are outdated, specifically the ELM IDP and SDF. Annexure A contains a summary of the latest key policy and planning documents.

9.2 Impact ratings

The impact ratings of the socio-economic and social impacts identified and assessed in the 2012 EIA remain valid. The associated mitigation measures remain applicable.

As indicated above, a number of additional social impacts associated with the construction and operational phase were not assessed in the 2012 EIA, and consideration and assessment of such impacts has been undertaken for the EA amendment application process, as best practice, namely:

Construction phase

- Impacts associated with the presence of construction workers on local communities (-).
- Impacts related to the potential influx of jobseekers (-).
- Increased risks to 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 (-).

Operational phase

- Benefits for local landowners (+).
- Benefits associated with socio-economic contributions to community development (+).
- Potential impact on property values (-).
- Potential impact on tourism (-).

Note: As indicated previously, the above are not new impacts as a result of the proposed amendments, but rather impacts that were applicable to the originally assessed and authorised project.

The author has undertaken in the region of 140 SIA for renewable energy projects, including renewable energy projects located in the vicinity of De Aar. Based on the findings of these SIAs, the significance of all the potential negative impacts associated with the construction and operation phase with mitigation is likely to be Low. The negative impacts can therefore be effectively mitigated.

9.3 Mitigation measures

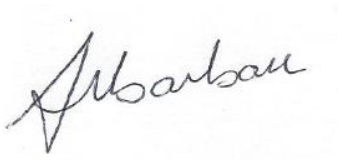
The mitigation measures to address the socio-economic and social impacts identified in the 2012 EIA remain valid. The mitigation and enhancement measures to address the additional socio-economic and social issues identified, as best practise, are listed above.

9.4 Cumulative impacts

The potential cumulative impacts associated with the proposed De Aar 2 South WEF include cumulative impact on the areas sense of place, cumulative impact on services, specifically during the construction phase, and cumulative impact on the local economy. These impacts are assessed above. Based on the findings of the assessment of cumulative impacts the project should be supported.

10.CONCLUDING STATEMENT

Based on the review of the 2012 EIA and associated documentation, the proposed amendments will not result in an increased level of impacts or result in a change in the nature of social impacts. The proposed amendments, including the proposed extension of the validity period, for the De Aar 2 South WEF are acceptable from a social and socio-economic perspective.



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ANNEXURE A

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Tony Barbour's experience as an environmental consultant includes working for 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 260 SIA's, including SIA's for renewable energy developments, infrastructure projects, dams, pipelines, and roads. 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, Nigeria, Senegal, Mozambique, Mauritius, Kenya, Ethiopia, Oman, South Sudan, Sudan, Senegal, and Armenia.

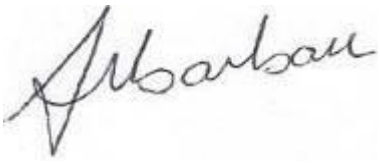
ANNEXURE B

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):

23 November 2022

Date:

ANNEXURE C

UP-DATED POLICY AND PLANNING REVIEW

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[3]" of the proposed development therefore constitutes a key aspect of the Social Impact Assessment (SIA). In this regard, assessment of "planning fit" conforms to international best practice for conducting SIAs.

Section 2 provides an overview of the policy and planning environment affecting the proposed project. For the purposes of meeting the objectives of the SIA the following policy and planning documents were reviewed:

- Integrated Resource Plan (IRP) for South Africa (2019).
- National Infrastructure Plan (NIP) (2012 and 2021).
- National Development Plan (2011).
- Northern Cape Provincial Growth and Development Strategy (2004-2014).
- Northern Cape Spatial Development Framework (2012).
- Northern Cape Province Green Document (2017/2018).
- Pixley ka Seme District Municipality Integrated Development Plan (2019-2020).
- Pixley ka Seme District Municipality Spatial Development Framework (2017).
- Emathanjeni Local Municipality Integrated Development Plan (2021-2022).

1.1 NATIONAL POLICY ENVIRONMENT

1.1.1 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.

[3] 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.

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 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 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.

1.1.2 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[4]. 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.
- 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.

1.2 PROVINCIAL AND LOCAL LEVEL POLICY AND PLANNING

1.2.1 Northern Cape Province Provincial Growth and Development Strategy

The Northern Cape Provincial Growth and Development Strategy (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

[4] Gazette No. 44951

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 SIA the NCPGDS makes 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 level 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 solar energy facility 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 development and associated renewable energy facilities 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.

1.2.2 Northern Cape Provincial Spatial Development Framework

Northern Cape Provincial Spatial Development Framework (NCSDF) (2012) lists a number of sectoral strategies and plans that 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).

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

- 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.
- In order to reinforce the existing transmission network and to ensure a reliable electricity supply in the Northern Cape, construct a 400 kV transmission power line from Ferrum Substation (near Kathu/Sishen) to Garona Substation (near Groblershoop). There is a national electricity supply shortage, and the country is now in a position where it needs to commission additional plants urgently. Consequently, renewable energy projects are a high priority.
- 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 telecommunication 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 against the directives listed in (a) above.
- Renewable energy sources such as wind, solar**,** thermal, biomass and domestic hydroelectricity are to constitute 25% of the province's energy generation capacity by 2020.

- The following key policy principles for renewable energy apply.
- Full cost accounting: Pricing policies will be based on an assessment of the full economic, social and environmental costs and benefits of energy production and utilisation.
- Equity: There should be equitable access to basic services to meet human needs and ensure human well-being. Each generation has a duty to avoid impairing the ability of future generations to ensure their own well-being.
- Global and international cooperation and responsibilities: Government recognises its shared responsibility for global and regional issues and act with due regard to the principles contained in relevant policies and applicable regional and international agreements.
- Allocation of functions: Government will allocate functions within the framework of the Constitution to competent institutions and spheres of government that can most effectively achieve the objectives of the energy policy.
- The implementation of sustainable renewable energy is to be promoted through appropriate financial and fiscal instruments.
- An effective legislative system to promote the implementation of renewable energy is to be developed, implemented, and continuously improved.
- Public awareness of the benefits and opportunities of renewable energy must be promoted.
- The development of renewable energy systems is to be harnessed as a mechanism for economic development throughout the province in accordance with the Sustainable Development Initiative (SDI) approach (refer to Toolkit D10) or any comparable approach.
- Renewable energy must, first, and foremost, be used to address the needs of the province before being exported.

1.2.3 Northern Cape Province Green Document

The NCP Green Document (2017-2018) was prepared by the Northern Cape Department of Economic Development and Tourism and provides an impact assessment of IPPs on the communities in the province located within a 50 km radius from existing facilities. The document notes that the NCP is nationally a leader in commercial-scale renewable energy projects. By 2018 a total of 23 IPP projects in the province had been integrated into the national grid. These projects include Solar PV, Concentrated Solar and WEFs. The document notes that through their economic development obligations these projects have already made a significant positive contribution to affected communities. Much of the effort has been directed at supporting local education. The document also notes that, as these projects are committed to 20-year minimum lifespans, the collectively hold a tremendous potential for socio-economic upliftment.

Key issues identified with regard to improving the potential beneficial impact of IPPs in the NCP include:

- Local community members abusing project benefits for personal gain.
- Difficulty in outreach to local community beneficiaries due to high local illiteracy levels.
- A lack of business skills generally hampers the successful establishment of local small enterprises which could benefit from projects.
- Community benefit obligations are currently met in a piecemeal and uncoordinated fashion.
- Anticipated community benefits are often frustrated by inadequate engagement and insufficient ongoing consultation.
- The scarcity of people skilled in maths and sciences in local communities hampers meaningful higher-level local skills development and employment.
- Insufficient support from local municipalities for IPP development.

1.2.4 Pixley ka Seme District Municipality Integrated Development Plan

The vision for the PKSDM is "Developed and Sustainable District for Future Generations"

To mission statement that underpins the vision is:

- Supporting our local municipalities to create a home for all in our towns, settlements and rural areas to render dedicated services.
- Providing political and administrative leadership and direction in the development planning process.
- Promoting economic growth that is shared across and within communities.
- Promoting and enhancing integrated development planning in the operations of our municipalities.
- Aligning development initiatives in the district to the National Development Plan.

The Strategic Objectives to address the vision that are relevant to the project includes the promotion of economic growth in the district and enhance service delivery. Chapter 4, Development of Strategies, highlights the key strategies of the PKSDM. The promotion of economic development is the most relevant strategy for the project. The IDP also notes that the growth and development context in the district has also changed radically since 2013 (after it had been stagnant for decades) owing mainly to private and public investments in the area as a hub for renewable energy generation and astronomy.

The IDP notes that the economy in the Pixley ka Seme municipal area is characterized by:

- High levels of poverty and low levels of education.
- Low levels of development despite the strategic location in terms of the national transport corridors.
- High rate of unemployment, poverty and social grant dependence.
- Prone to significant environmental changes owing to long-term structural changes (such as climate change, energy crises and other shifts).

Of specific relevance the IDP highlights the potential for renewable energy to help address some of these challenges.

1.2.5 Pixley ka Seme District Municipality Spatial Development Framework

The SDF notes that the vision for the PKSDM is "Pixley Ka Seme DM, pioneers of development, a home and future for all". The Mission Statement that underpins the vision refers to:

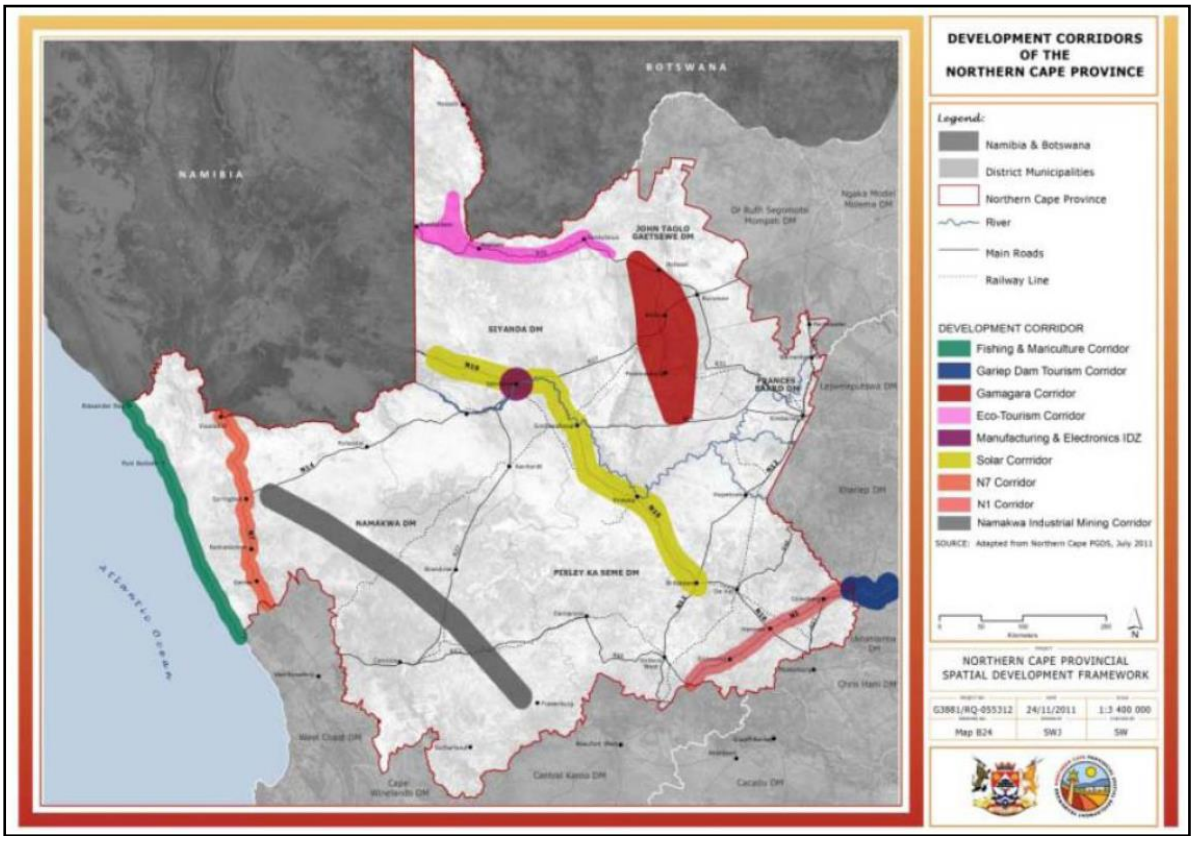
- Effective and efficient service delivery.
- Optimal human and natural resource development.
- Local economic growth and development, job creation and poverty alleviation.
- A vibrant tourism industry.
- To participate in the fight to reduce the infection rate and lessen the impact of HIV/ Aids and other communicable diseases.
- A safe, secure and community friendly environment.

The SDF identifies the opportunities and constraints associated with the district. Of relevance to the project the opportunities include:

Renewable Energy and the identification of a renewable energy hub in the region. The natural environment and maintenance and conservation of the pristine natural environment to support sustainable farming into the future is also identified as an opportunity. The SDF notes that Pixley Ka Seme District area with its abundance of sunshine and vast tracts of available land has attracted considerable interest from solar

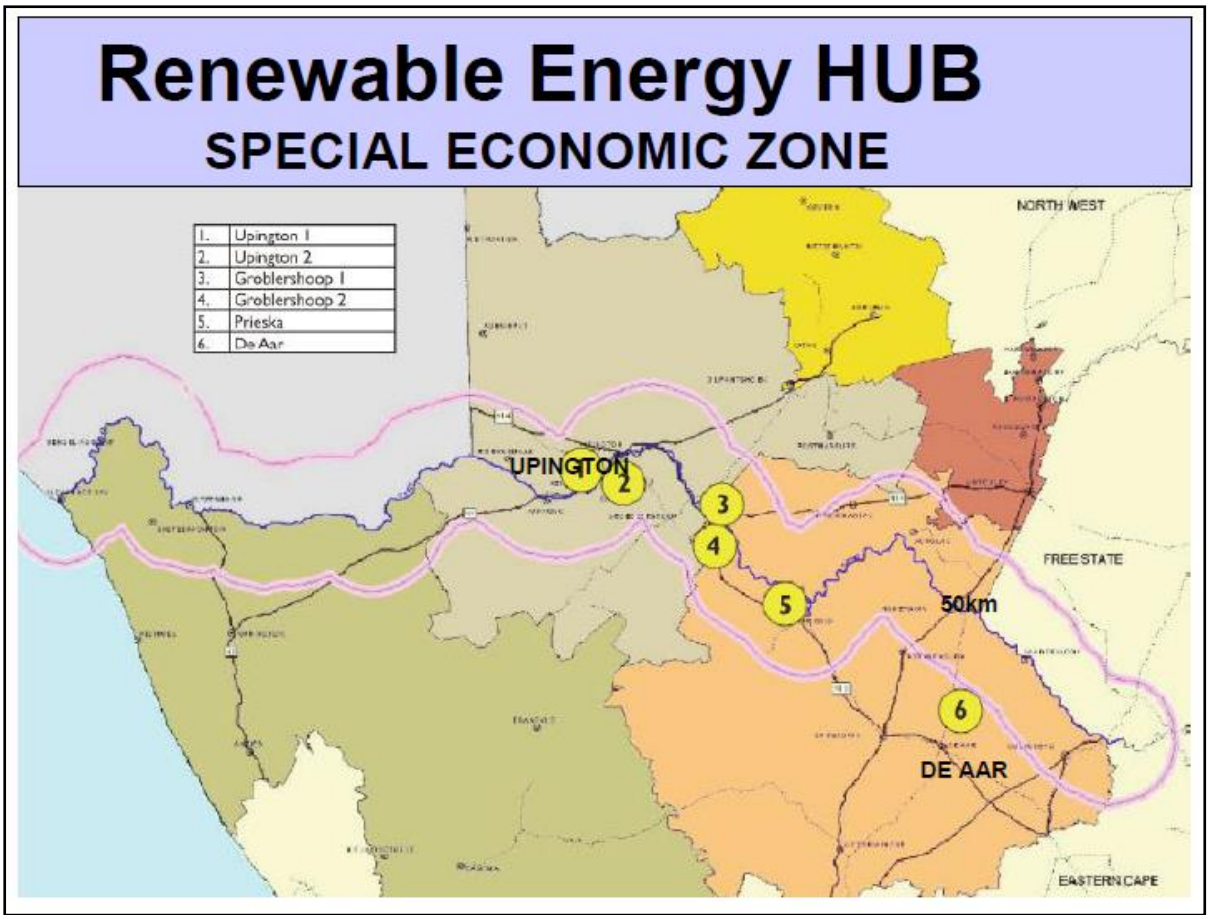
energy investors. The high solar index of the area provides many opportunities in terms of the development of renewable energy. This has been acknowledged by the Northern Cape Government with the identification of the Renewable Energy Hub. The areas around the northern and eastern borders of the Pixley Ka Seme District Municipality form part of this hub with the potential to stimulate special economic development zoned within the area that have the potential to stimulate industrial development.

The PKSDM also falls within the Solar Development Corridor as identified in the Northern Cape Provincial Spatial Development Framework. The corridor extends from Kakamas to Upington and down to De Aar in the south-east (Figure 2). Section 5.6.1 of the SDF also refers to the establishment of a Renewable Energy Hub proposed for the Northern Cape stretching from the west coast right up to the De Aar region (Figure 3). The Hub can accommodate special economic development within the zone as earmarked and entails a 100km wide zone. The proposed project is located within the corridor and proposed hub.



Source: Northern Cape SDF

Figure 2: Northern Cape Development Corridors-Solar Corridor (yellow)



Source: Northern PKSDM SDF

Figure 3: Northern Cape Renewable Energy Hub

The SDF does however also note that the area is known for its clean air and open skies with limited light pollution. Potential visual impacts are therefore an issue that needs to be considered.

In this regard the SDF notes that the topography of Pixley Ka Seme region is one of its main assets with vast open spaces and unspoilt panoramic visual vistas stretching over great distances. This asset makes for excellent scenic drives throughout the whole of the region from the flat plains to crossing the main rivers of South Africa. Visual vistas, ridges and "koppies" are assets within the region and they must be handled with sensitivity.

The relevant constraints include high levels of poverty and unemployment, backlog in basic services, including electricity and housing in rural areas, the limited supply of water and overall scarcity of water in the region to support economic development.

The development challenges that face the Pixley Ka Seme District Municipality include high unemployment and poverty rates and low income which are placing increasing demand on service delivery because very few people are able to pay for services. Declining population numbers, and alcohol and substance abuse are also key challenges.

In terms of services, inadequate schools in farming areas results in children having to travel long distances to areas where the go to school. There are also insufficient health centres and lack of amenities and recreational services. Where these services do exist, they are often poorly managed and maintained. The level of key services, such as refuse removal, are also low, while many rural and a number of urban households rely on boreholes for their water supply.

Climate change is also identified as a key risk. The SDF notes that the Karoo is predicted to experience more drought periods, coupled with increased evaporation and temperatures and this will negatively impact already restricted water supply. It is likely that the greatest impacts will be on water supply.

1.2.6 Emthanjeni Local Municipality Integrated Development Plan

The Emthanjeni Local Municipality (ELM) is a category B municipality consisting of three towns, namely, De Aar, Britstown and Hanover. The vision of the ELM is "Leading sustainable development for inclusive economic growth". The mission statement linked to the vision is "To create a viable economic development plan that is relevant to the characteristics of the Emthanjeni Municipal area, designed to create and maintain a sound and healthy local economy, drawing upon local strengths and resources. This will be achieved through:

- Strategic partnerships and collaboration.
- Effective stakeholder communications.
- Supporting existing businesses and encourage the expansion and repositioning of desirable commercial and industrial uses.
- To increase the number of farms or agricultural land in the community.

The IDP refers to the national economic pillars adopted on the National Framework for Local Economic Development in South Africa which launched in 2014. The pillars are aligned to the main thrusts and opportunities within ELM to ensure an integrated approach for optimal rate of implementation and economic development in the municipality. The five pillars are:

- Pillar 1: Building a Diverse Economic Base.
- Pillar 2: Developing learning and skillful economies.
- Pillar 3: Developing Inclusive Economies.
- Pillar 4: Enterprise Development and Support.
- Pillar 5: Economic Governance and Infrastructure.

Pillars 1, 2, 3 and 4 are relevant to the proposed development.

Pillar 1: Building a Diverse Economic Base
The first pillar focuses on building a diverse economic base and growing the local economy through industrial and sector-specific (e.g., Tourism, Mining, Agriculture, Manufacturing, etc.).

Pillar 2: Developing learning and skillful economies
The IDP notes that addressing the skills gap and improving skills levels is critical to the to the successful implementation of all the other pillars, as increased skills lead to increased opportunities for stimulating local economies.

Pillar 3: Developing Inclusive Economies
Creating decent work and sustainable livelihoods improves the living standards and ensures a dignified existence for individuals.

Pillar 4: Enterprise Development and Support
The IDP highlights the importance of supporting economic development and creating a diverse economic sector. The need to support SMMEs is also noted.

The development of the project will support these pillars, specifically the SED and ED spend linked to the project. The IDP also lists 7 Key Performance Areas (KPAs) of which KPA 1: Basic Services and Infrastructure Development, KPA 5: Local Economic Development and KPA 7: Social Development, are relevant to the project.

The IDP highlights the importance to the renewable energy sector and refers to a number of IPP projects located in the ELM and PKSDM.

1.3 OVERVIEW INDEPENDENT POWER PRODUCERS' PROCUREMENT PROGRAMME

An audit of the Independent Power Producers Procurement Programme (IPPPP) is undertaken each year by the Department of Energy, National Treasury and DBSA. The most recent was in December 2021. The audit 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[5]):

- 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 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. 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.

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.

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[6]), 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.

[5] 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.

[6] 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)

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 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[7]

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

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

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[8] 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 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%.

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

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.

ANNEXURE D

UPDATED SOCIO-ECONOMIC AND DEMOGRAPHIC BASELINE

1. INTRODUCTION

The updated section provides a baseline description of the study area with regard to:

- The administrative context.
- Provincial context.
- Overview of district and local municipalities.

2. ADMINISTRATIVE CONTEXT

The majority of the study area is located within the Emthanjeni Local Municipality (ELM), which falls within the Pixley ka Seme District Municipality (PKSDM) in the Northern Cape Province (Figure 1 and 2). A small part falls within the Renosterberg Local Municipality. The PKSDM is made up of eight category B local municipalities which include Emthanjeni, Kareeberg, Thembelihle, Siyathemba, Renosterberg, Ubuntu, Siyancuma and Umsobomvu municipalities. De Aar is the administrative seat of the EML and PKSDM. The majority of the site is located within Ward 6 in the ELM with a small section within Ward 4 of the RLM. The focus of the review is on the ELM and Ward 6.

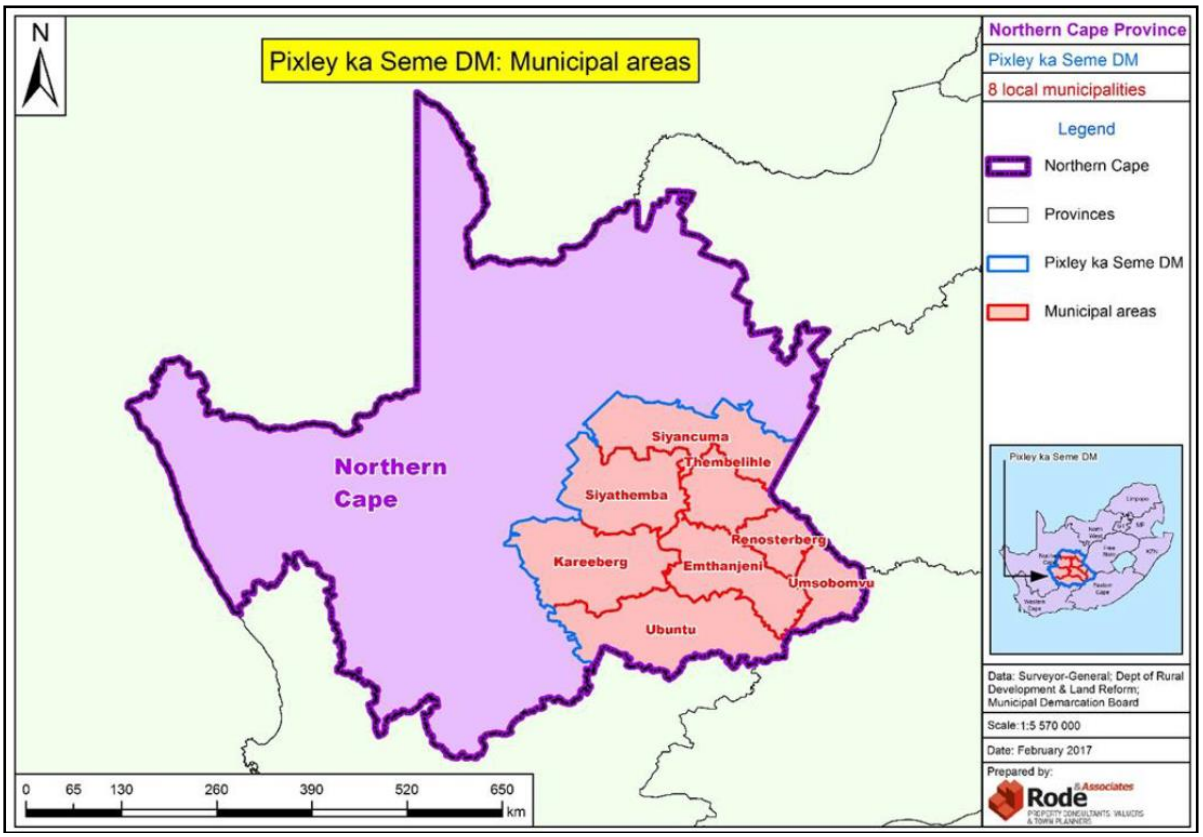


Figure 1: Location of the Pixley Ka Seme District Municipality and Emthanjeni Local Municipality and within the Northern Cape Province

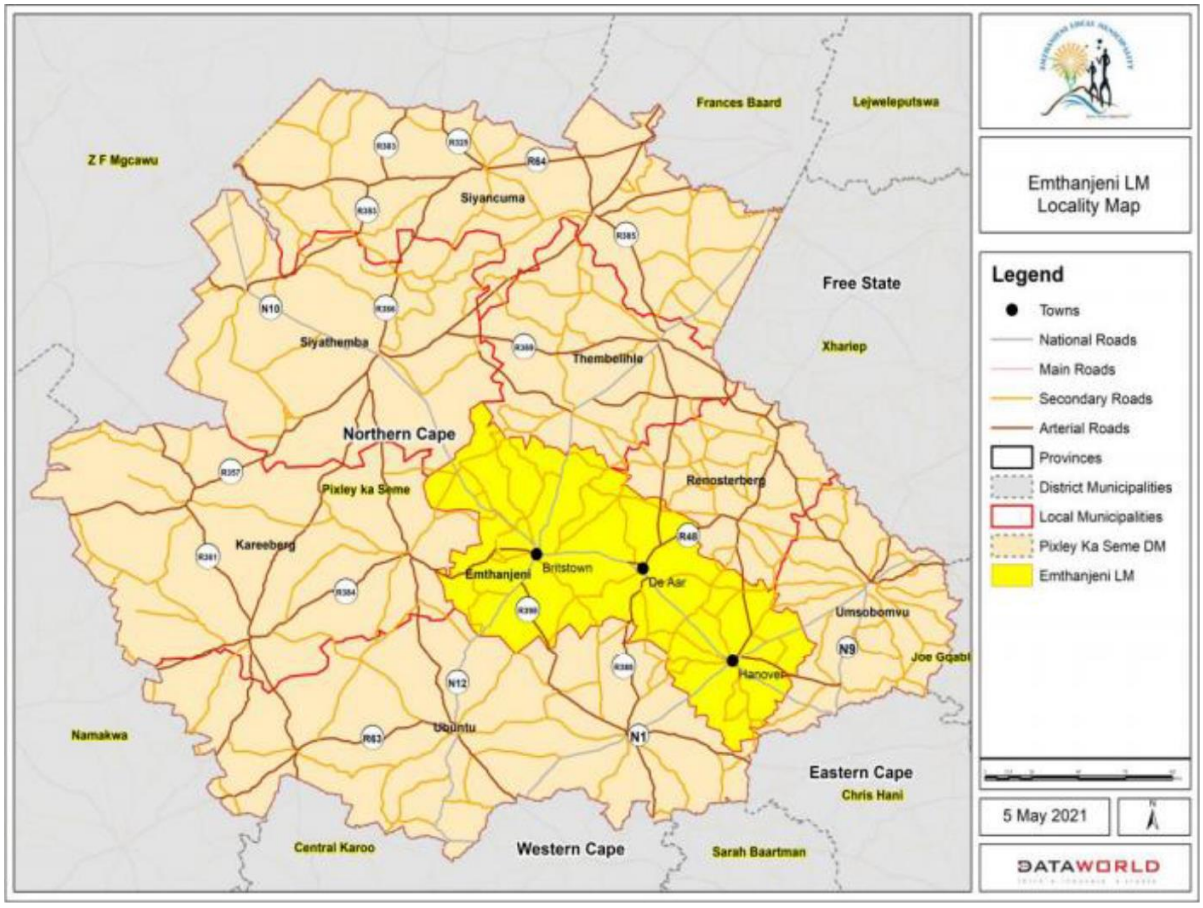


Figure 2: Location of Emthanjeni Local Municipality within the Pixley Ka Seme District Municipality

3. PROVINCIAL CONTEXT[9]

The proposed site located in the Northern Cape Province, which is the largest province in South Africa and covers an area of 361 830 km^2 and, constitutes approximately 30% of South Africa. The province is divided into five district municipalities (DM), namely, Frances Baard, Karoo, Namakwa, Pixley Ka Seme and ZF Mgcawu District Municipality (known before 1 July 2013 as Siyanda DM). The site itself is located in the Pixley Ka Seme DM.

Population

Despite having the largest surface area, the Northern Cape has the smallest population of 1 193 780 (Community Household Survey, 2016) or 2.2% of the population of South Africa. Of the five districts, Frances Baard has the largest population (32.5%), followed by ZF Mgcawu District Municipality (21.2%), John Taola Gaetsewe (20.3%), Pixley ka Seme (16.4%) and Namakwa (9.7%). The majority of the population in the Northern Cape Province are Black African (48.1%), followed by Coloureds (43.7%) and Whites (7.7%).

In terms of age, 36.5% of the Northern Cape population is between 15 and 34 years old, which is the highest age distribution, followed by 29.2% of those aged 35–64 years, while only 6.6% comprised those aged 65 years and older. Similarly, this pattern is also seen across all districts in the province. The district profile shows that the highest proportions of persons aged 15–34 years were recorded in Pixley Ka Seme, ZF Mgcawu and John Taolo

[9] The information in this section is based on the Northern Cape Provincial Growth and Development Strategy 2004-2014. This document does not include 2011 Census Data. Where possible data from the 2011 Census and 2016 Community Household Survey has been used to update the information.

Gaetsewe districts. The figures for these three districts were also above the provincial average of 36.5%. The proportion of persons aged 65 years and older was higher in Namakwa (9.5%) and Frances Baard (8.2%).

Education

Based on the information contained in the NCPSDF the average adult education attainment levels in the Northern Cape are lower than the adult education attainment levels of South Africa as a whole. Approximately 19.7% of the Northern Cape adults have no schooling in comparison to South Africa's 18.1%. The Northern Cape has the second lowest percentage of adult individuals (5.5%) that obtained a tertiary education in South Africa. The LED Strategy for the Northern Cape indicates that Pixley ka Seme has the lowest adult education attainment levels in the Northern Cape with 27.3% of the adult population having no form of schooling, whilst John Taolo Gaetsewe is second with 25.4% having no schooling. The highest number of the adult population with tertiary education (6.4%) is located in Frances Baard.

The Northern Cape also has the smallest portion (11.1%) of highly skilled formal employees in South Africa, while Gauteng has the highest (14.3%). Linked to this the Northern Cape has the second largest portion of semi and unskilled formal employees in the country. A lack of skilled people often results in both the public and the private sector being unable to implement planned growth strategies and achieve the desired productivity, service delivery and service quality (NCSDF, 2012).

Economic development

Over the past 8 years there has been little to no variance in the Human Development Index (HDI) figures for the Northern Cape, indicating no increase or decrease in the overall standard of living[10]. This trend is unlikely to change in the foreseeable future, mainly due to the marginal economic base of the poorer areas, and the consolidation of the economic base in the relatively better-off areas. It is important to note that the HDI for the Northern Cape (0.55) is substantially below the South African figure of 0.72. The HDI of 0.55 displays a pattern of semi-development, and there is a definite inequality between the different population groups, with the Whites having a higher development lifestyle than the African or Coloured groups.

The percentage of Northern Cape people living below the poverty line has decreased from 40% in 1995 to 27% in 2011, while the poverty gap has decreased from 11% in 1995 to 8% in 2011 (Figure 3). The goal set by the province is to decrease the percentage of people living below the poverty line to 20% by 2015 (NCSDF, 2012). The alleviation of poverty is one of the key challenges for economic development. Higher levels of economic growth are a key challenge for poverty eradication. Investment in people is pivotal to the eradication of poverty and inequality. Investment in people is also, to a large extent, about delivering social and economic infrastructure for education, welfare, health, housing, as well as transport and bulk infrastructure.

[10] The Human Development Index (HDI) was developed by the United Nations Development Programme (UNDP) based on the philosophy that the goal of development was to ensure that individuals live long, informed and comfortable lives. The HDI consists of three components: Longevity, which is measured by life expectancy at birth; Educational attainment, which is measured by two education variables, namely adult literacy and combined gross primary, secondary and tertiary enrolment ratio, and; Income, which is measured by gross domestic product (GDP) per capita. Performance in each dimension is expressed as a value between 0 and 1, and the HDI index gives an internationally accepted measure of the wellness (quality of life) of the population of the area under consideration. The closer the HDI is to 1.0, the higher the level of "living condition". For example, Sweden has an index of 0.91 defined as high, South Africa at 0.72 is defined as middle and Lesotho at 0.47 is defined as low.

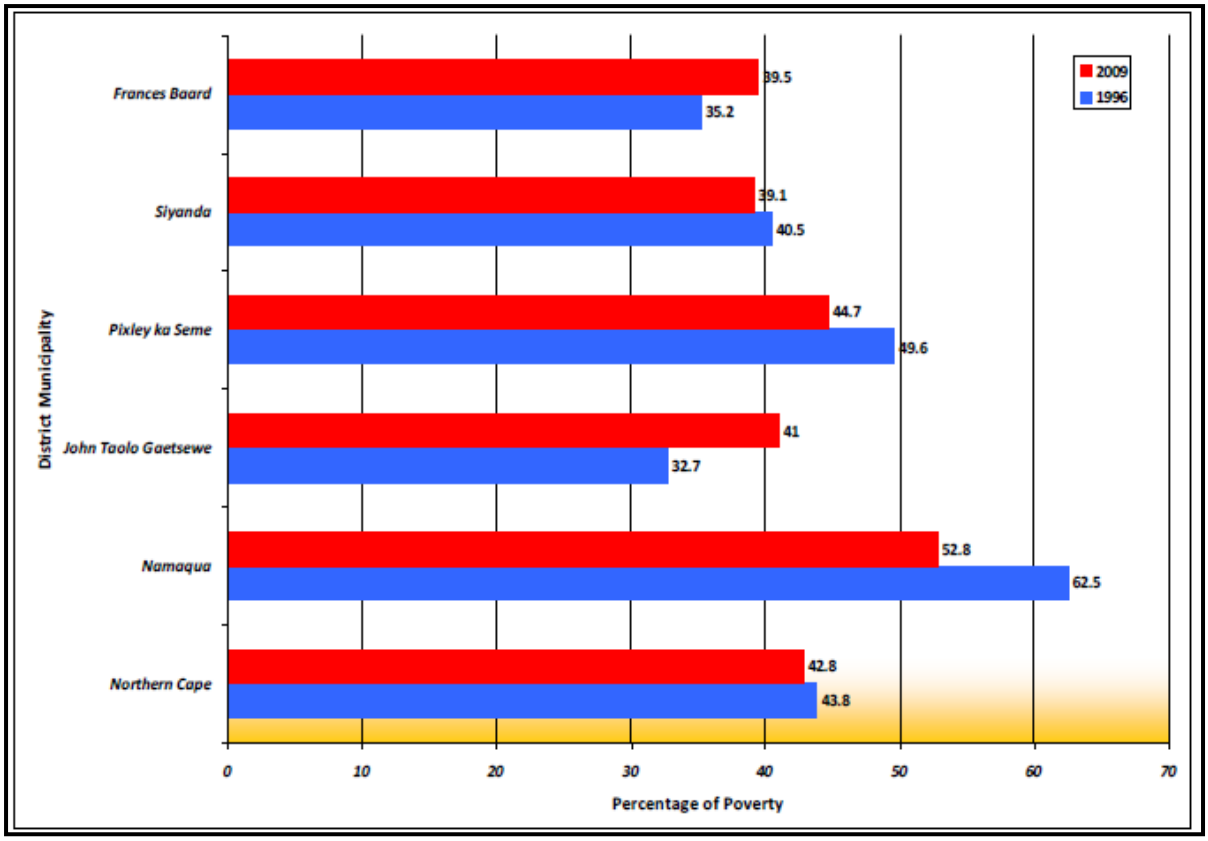


Figure 3: Percentage of people living in poverty in the Northern Cape (Source: Global Insight, 2009 as cited in the PGDS, July 2011)[11].

In terms of per capita income, the Northern Cape Province has the third highest per capita income of all nine provinces, however, income distribution is extremely skewed, with a high percentage of the population living in extreme poverty. The measure used in the PGDS document to measure poverty is the percentage of people living below the poverty line or breadline is used[12].

Economic sectors

The Northern Cape economy has shown significant recovery since 2000/2001 when it had a negative economic growth rate of -1.5% (LED Strategy). The provincial economy reached a peak of 3.7% in 2003/2004 and remained the lowest of all provinces. The Northern Cape is the smallest contributing province to South Africa's economy (only 2% to South Africa GDP per region in 2007).

The mining sector is the largest contributor to the provincial GDP, contributing 28.9% to the GDP in 2002 and 27.6% in 2008. The mining sector is also important at a national level. In this regard, the Northern Cape produces approximately 37% of South Africa's diamond output, 44% of its zinc, 70% of its silver, 84% of its iron-ore, 93% of its lead and 99% if its manganese. Agriculture and agri-processing sector are also key economic sectors. Approximately 2% of the province is used for crop farming, mainly under irrigation in the Orange River Valley and Vaalharts Irrigation Scheme. Approximately 96% of the land is used for stock farming, including beef cattle and sheep or goats, as well as game farming. The agricultural sector contributed 5.8% to the Northern Cape GDP per region in

[11] Siyanda DM is now called the ZF Mgcawu DM.

[12] In terms of the poverty line, a person is considered poor if his or her consumption or income level falls below some minimum level necessary to meet basic needs. The minimum level is usually called the poverty line. In South Africa the poverty income level is set at R800/month for an individual or R 3 200 per month for a household of four.

2007 which was approximately R1.3 billion, and it employs approximately 19.5% of the total formally employed individuals (NCSDF, 2012). The sector is experiencing significant growth in value-added activities, including game-farming. Food production and processing for the local and export market is also growing significantly. The main agricultural produce of the Northern Cape include:

- High-value horticultural products such as table grapes, sultanas and wine grapes, dates, nuts, cotton, fodder, and cereal crops are grown along the Orange River.
- Wheat, fruit, groudnuts, maize and cotton in the Vaalharts irrigation scheme in the vicinity of Hartswater and Jan Kempdorp.
- Vegetables and cereal crops at the confluence of the Vaal River and the Orange Rivers in the vicinity of Douglas.
- Wool, mohair, karakul, Karoo lamb, ostrich meat and leather, and venison throughout most of the province.

Economic development in the Northern Cape is hampered by the vastness of the area and the remoteness of its communities in rural areas. Development is also hampered by the low education and skills levels in the province. As a result, unemployment in the Northern Cape presents a major challenge.

Employment

According to Statistics South Africa Labour (2012) the community and social services sector is the largest employer in the province at 29%, followed by the agricultural sector (16%), wholesale and retail trade (14%), finance (8%) manufacturing (6%) and mining (6%), etc. (Figure 4).

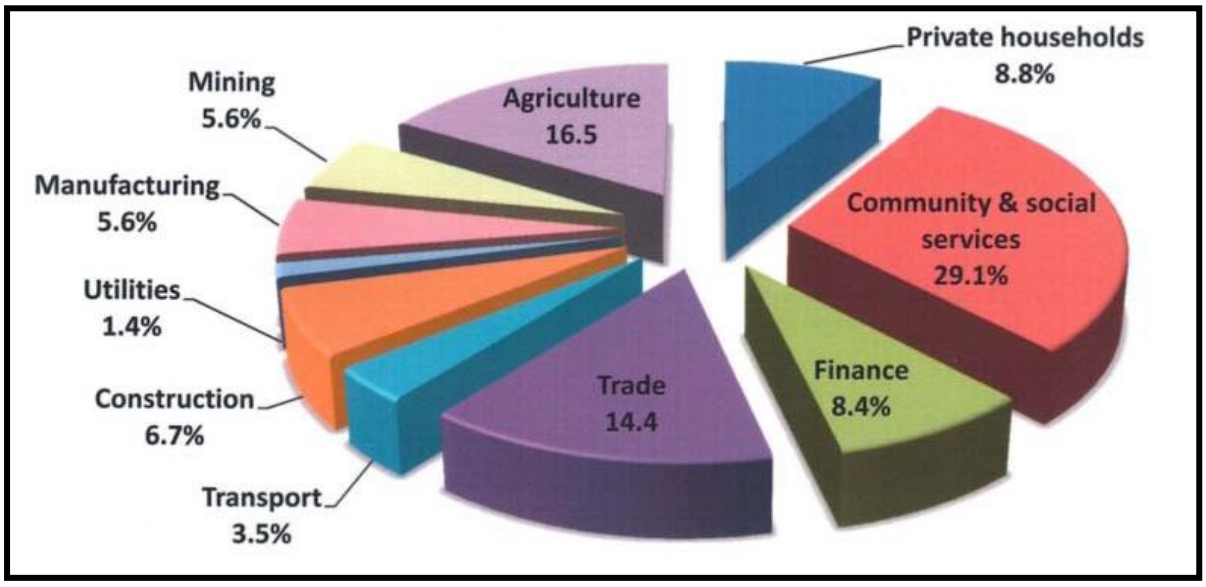


Figure 4: Employment by Economic Sector and Industry (Source: Statistics South Africa 2012).

4. MUNICIPAL OVERVIEW

Population

The population of the ELM in 2016 was 45 404. Of this total, 36.4% were under the age of 18, 57.9% were between 18 and 64, and the remaining 5.8% were 65 and older. The ELM therefore has a relatively large young population. This creates challenges in terms of creating employment opportunities. In terms of race groups, Coloureds made up 60.9% of the population, followed by Black Africans (32%) and Whites (6.9%). The main first language spoken in the ELM was Afrikaans (69.6%), followed by IsiXhosa (26.5%) and English (0.9%).

The population of Ward 6 in 2011 was 5 784. Of this total, 36.3% were under the age of 18, 58% were between 18 and 64, and the remaining 5.7% were 65 and older. Like the ELM, Ward 6 also had a relatively large young population. In terms of race groups, Coloureds made up 46.4% of the population, followed by Black Africans (45.2%) and Whites (7.3%). The main first language spoken in the Ward 6 was Afrikaans (56.2%), followed by IsiXhosa (32.3%) and English (2.1%).

The high percentage of young people in both the ELM and Ward 6 means that a large percentage of the population is dependent on a smaller productive sector. 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. The national dependency ratio in 2011 was 52.7%, similar to that of the Northern Cape Province (55.7%). The dependency ratio for the ELM (2011) was 60.4%. The traditional approach is based people younger than 15 or older than 64. The 2016 information provides information for the age group under 18. The total number of people falling within this age group will therefore be higher than the 0-15 age group. However, most people between the age of 15 and 17 are not economically active (i.e., they are likely to be at school).

Using information on people under the age of 18 is therefore likely to represent a more accurate reflection of the dependency ratio. Based on these figures, the dependency ratio for the ELM in 2016 and Ward 6 (2011) was 72.8% and 72.4% respectively. This figure is significantly higher than the national and provincial levels in 2011 (52.7% and 55.7% respectively). The higher dependency ratio reflects the limited employment opportunities in the area and represent a significant risk to the district and local municipality. The high dependency ratio also highlights the importance to maximising local employment opportunities and the key role played by training and skills development programmes.

Households and house types

Based on the information from the 2016 Community Survey there were a total of 11 992 households in the ELM and 1 687 in Ward 6. Most of the households reside in formal houses (74.2% ELM and 88.1% Ward 6). The figure for the ELM is similar to the District (78.1%) and Provincial (74.4%) figures. Approximately 17% of the households in the ELM reside in backyard flats and a further 4.2% in informal shacks. For Ward 6 only 1.2% lived in shacks.

Based on the information from the 2016 Community Household Survey 39.8% of the households in the ELM are headed by females compared to 31.1% for Ward 6 (2011). The figure for ELM was similar to the District and Provincial figures of 37% and 39% respectively. The high number of female-headed households at the local municipal and ward level reflects the lack on formal employment and economic opportunities in the ELM. As a result, job seekers from the ELM need to leave the areas to seek work in the larger centres. As indicated above, this highlights the importance to maximising local employment opportunities and the key role played by training and skills development programmes.

The majority of the job seekers are likely to be males. This is due to traditional rural patriarchal societies where the role of the women is usually linked to maintaining the house and raising the children, while the men tend to be the ones that migrate to other areas in search of employment.

Household income

Based on the data from the 2011 Census, 9.1% of the population of the ELM had no formal income, 3.3% earned less than R 4 800, 4.9% earned between R 5 000 and R 10 000 per

annum, 18.2% between R 10 000 and R 20 000 per annum and 22.4% between R 20 000 and 40 000 per annum (2011). The figures for Ward 6 were 7.7%, 3.3%, 5.2%, 21% and 22.6%. 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 57.9% of the households in the ELM and 59.8% in Ward 6 live close to or below the poverty line. While this figure is lower than the provincial level of 62.9%, the low-income levels reflect the limited employment opportunities in the area and dependence on the agricultural sector. This is also reflected in the high unemployment rates. As indicated above, this highlights the importance to maximising local employment opportunities and the key role played by training and skills development programmes.

The low-income levels 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 ELM. This in turn impacts on the ability of the ELM to maintain and provide services.

The Integrated Development Plan (IDP) for the ELM indicates that the total number of indigent households within the municipal area increased from 2 726 households as of 30 June 2014 to 2 874 as at April 2017 and about 3 594 households during January 2016/17. The COVID-19 pandemic is likely to have resulted in an increase in the number of indigent households in 2020 and 2021.

Employment

The official unemployment figure in 2011 for the ELM was 14.5%. The figures also indicate that the majority of the population are not economically active, namely 43.7%. These figures are similar to the official unemployment rate for the Northern Cape Province (14.5%) and Pixley ka Seme District (14.8%). This reflects the limited employment opportunities in the area, which in turn are reflected in the low income and high poverty levels. Given the impact of COVID-19 pandemic, the unemployment levels are likely to be higher in 2021. The figures for Ward 6 were 11.7% (unemployed) and 44% of the economically active population being employed.

Education

In terms of education levels, the percentage of the population over 20 years of age in the ELM with no schooling was 17.4% in 2011, compared to 7.9% for the Northern Cape Province and 11.9% for the District. The percentage of the population over the age of 20 with matric was 28.3%, compared to 29.1% for the Province and 25.3% for the District. Only 1.5% and 1.4% of the population over the age of 20 years in the ELM had an undergraduate and postgraduate qualification, respectively. The relatively poor education levels in the ELM pose a potential challenge to the implementation of an effective training and skills development programme for local community members. The figures for Ward 6 (2011) were 16.4% with no schooling, 18.6% with matric and 1.9% and 1.3% with an undergraduate and postgraduate degree respectively.

5. MUNICIPAL SERVICES

Access to electricity
Based on the information from the 2016 Community Survey 96.6% of households had access to electricity. Of this total 88.4% had inhouse prepaid meters. No data was available for Ward 6.

Access to water
Based on the information from the 2016 Community Survey 96.7% of households were supplied by a regional or local service provider. However, only 53.2% of the households had piped water inside their houses, while 44.3% relied on piped water inside the yard. The figures for the District were 45.8% and 44.4% respectively. Only 45.3% of households in the Northern Cape Province have piped water inside their homes. For Ward 6 77.5% of households were supplied by the local service provider and 19.2% relied on boreholes, which reflects the rural nature of Ward 6.

Sanitation
Based on the information from the 2016 Community Survey, 95.3% of households have access to flush toilets, 2.1% rely on pit latrines, 1.5% use bucket toilets, while 0.5% had no access to toilet facilities. The figures in terms of access to flush toilets are higher than provincial (71.4%) and District (82.8%) figures. For Ward 6 72.7% of households had access to flush toilets and 7.2% had no access to toilets. 16 % relied on pit latrines.

Refuse collection
Based on the information from the 2016 Community Survey, 79.8% of households have their refuse collected on a regular basis by a local authority of private company, 4.6% use their own dumps, and 8.7% are not serviced. For Ward 6, 59.8% were provided with a regular service while 20% relied on their own dump.

6. HEALTH AND COMMUNITY FACILITIES

The PKSDM is served by 3 District Hospitals, 8 Community Health Centres, 28 Primary Health Care Clinics, 4 satellite clinics and 1 mobile clinic, distributed over the district. The ELM has 1 District Hospital and 6 Primary Health Care clinics. There are no community health centres within ELM that provide a 24hour service. A new hospital was built in De Aar and was opened in 2017. The Central Karoo Hospital serves as the referral hospital for the district. Minor operations are performed at the facility. Specialists visit the district on a monthly basis from Kimberley Hospital Complex. In terms of education the ELM has 16 schools of which 13 are no-fee schools. The ELM also has libraries.

7. ECONOMIC OVERVIEW

Agriculture
Agriculture is the key economic sector in the PKSDM and ELM. Many of the towns within the district municipal area function mainly as agricultural service centres, with the level of services provided at the centres to a large extent reliable on the intensity of the farming practices in the surrounding area. Despite the largely semi-arid and arid environment in the district, the fertile land that lies alongside the Orange, Vaal and Riet Rivers supports the production of some of the country's finest quality agricultural products, including grapes and vegetables. The main livestock farming in the region include cattle, sheep, and goat farming. Game breeding has also been identified as one of the opportunities which could be linked with the tourism sector for Game reserves and hunting activities. However, despite the key role played by agriculture there is limited value adding to the farming products within the district and the area is prone to droughts and climate change.

Mining

The main deposits in Pixley ka Seme include alluvial diamond mining along the Orange River and various semi-precious stones, such as tiger-eye and zinc deposits. The region also has various saltpans for the potential of salt production. Uranium deposits also occur in the district.

Tourism

The tourism sector in the district contributes 15.6% to the provincial gross value added (GVA). The municipalities Emthanjeni, Kareeberg, Umsobomvu and Siyancuma municipalities are the biggest contributors to the provincial gross value added (GVA). The PKSDM IDP notes that the tourism opportunities in the district will increase due to the Karoo Array Telescope (KAT), a project being driven at a national level. Of relevance, the PKSDM notes that care needs to be taken with developments that have the potential to negatively impact on the Karoo landscapes.

Renewable energy

Of key relevance the PKSDM IDP identifies renewable energy as key economic sector and refers to the substantial socio-economic development (SED) and enterprise development (ED) contributions leveraged by the IPPPP commitments. The IDP notes that the towns of Prieska and Carnarvon have in recent years changed character from small rural towns to potentially regional hubs as a result of investments in renewable energy generation and the Square Kilometre Array (SKA) radio telescope project, respectively.