SOCIAL ASSESSMENT

BASELINE SCOPING REPORT

CAMDEN GREEN HYDROGEN AND AMMONIA FACILITY

MPUMALANGA PROVINCE

OCTOBER 2021

Prepared for

WSP

by

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EXECUTIVE SUMMARY

INTRODUCTION AND LOCATION

WSP was appointed to manage the Environmental Impact Assessment (EIA) process for the proposed Camden Green Hydrogen and Ammonia Facility located approximately 12 km south of the town of Ermelo in the Msukaligwa Municipality in the Mpumalanga Province.

Tony Barbour Environmental Consulting was appointed to undertake a specialist Social Impact Assessment (SIA) as part of an EIA process. This report contains the findings of the Scoping Level SIA for the proposed project.

SUMMARY OF KEY FINDINGS

KEY FINDINGS

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

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

The findings of the Social Baseline Scoping Report are based on a review of relevant documents and the authors experience with undertaking SIAs for similar projects. The issues will be confirmed and assessed during the Assessment Phase of the EIA process.

POLICY AND PLANNING ISSUES

The development of renewable energy is strongly supported at a national, provincial, and local level. The development of and investment in renewable energy is supported by the National Development Plan (NDP), New Growth Path Framework and National Infrastructure Plan, which all refer to and support renewable energy. The development of renewable energy is also supported by the MMSDF. In this regard the SDF acknowledges the importance of the mining sector and notes that it will need to be accommodated over the short to medium term. However, of relevance to the proposed development the SDF refers to green industries and indicates that the existing site of the Camden Power Station and surrounds should be made available for new industrial development in the long term, to manage the long-term impact of the Power Station being decommissioned.

CONSTRUCTION PHASE

The key social issues associated with the construction phase include:

Potential positive impacts

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

Potential negative impacts

- 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.
- Nuisance impacts, such as noise, dust, and safety, associated with construction related activities and vehicles.
- Impact on productive farmland.

OPERATIONAL PHASE

The following key social issues are of relevance to the operational phase:

Potential positive impacts

- Produce green hydrogen and ammonia for the South Africa economy.
- Creation of employment opportunities.
- Benefits to the affected landowners.

Potential negative impacts

- Visual impacts and associated impacts on sense of place.
- Noise and odour impacts.
- Health and safety impacts associated with accidents.

CUMULATIVE IMPACTS

The cumulative impacts are linked to the potential cumulative impact on the areas sense of place.

NO-DEVELOPMENT OPTION

The No-Development option would represent a lost opportunity for South Africa to produce green hydrogen and ammonia and reduce its carbon footprint. This would represent a significant negative social cost.

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CONTENTS OF THE SPECIALIST REPORT – CHECKLIST

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

(q) any other information requested by the competent authority	N/A
Where a government notice gazetted by the Minister provides for any protocol or minimum information requirement to be applied to a specialist report, the requirements as indicated in such notice will apply.	Comply with the Assessment Protocols that were published on 20 March 2020, in Government Gazette 43110, GN 320. This specifically includes Part A, which provides the Site Sensitivity Verification Requirements where a Specialist Assessment is required but no Specific Assessment Protocol has been prescribed. As at September 2020, there are no sensitivity layers on the Screening Tool for Socio-economic-features. Part A has therefore not been compiled for this assessment.

ACRONYMS

BESS	Battery Energy Storage System
DEA	Department of Environmental Affairs
DEA&DP	Department of Environmental Affairs and Development Planning
DM	District Municipality
GSDM	Gert Sibande District Municipality
HD	Historically Disadvantaged
EIA	Environmental Impact Assessment
IDP	Integrated Development Plan
IPP	Independent Power Producer
kV	Kilovolts
LED	Local Economic Development
LM	Local Municipality
MM	Msukaligwa Municipality
MW	Megawatt
SDF	Spatial Development Framework
SEF	Solar Energy Facility
SIA	Social Impact Assessment
WEF	Wind Energy Facility

SECTION 1: INTRODUCTION

1.1 INTRODUCTION

WSP was appointed to manage the Environmental Impact Assessment (EIA) process for the proposed Camden Green Hydrogen and Ammonia Facility located approximately 12 km south of the town of Ermelo in the Msukaligwa Municipality in the Mpumalanga Province.

Tony Barbour Environmental Consulting was appointed to undertake a specialist Social Impact Assessment (SIA) as part of an EIA process. This report contains the findings of the Scoping Level SIA for the proposed project.

Figure 1.1: Location of Camden Green Hydrogen and Ammonia Facility site options (purple outline areas)

1.2 TERMS OF REFERENCE AND APPROACH

The terms of reference for the Scoping Level SIA require:

- A description of the environment that may be affected by the activity and the way the social environment may be affected by the proposed development.
- A description of the baseline social and socio-economic conditions in the study area that have a bearing on the proposed development.
- An overview of the key policy and planning documents that have a bearing on the proposed development and the social assessment study.
- The identification of the potential social issues associated with the proposed development.

- Identification of potential enhancement and mitigation measures.
- Outline of the terms of reference for the Social Impact Assessment (SIA) to be undertaken during the Assessment Phase of the Environmental Impact Assessment (EIA).

The approach to the Scoping Level SIA study is based on the Western Cape Department of Environmental Affairs and Development Planning Guidelines for Social Impact Assessment (February 2007). These guidelines are based on international best practice.

In this regard the study involved:

- Review of socio-economic data for the study area.
- Review of relevant planning and policy frameworks for the area.
- Review of information from similar studies, including the SIAs undertaken for other renewable energy projects.
- Identification and assessment of the social issues associated with the proposed project.

A site visit will be undertaken during the Assessment Phase of the SIA. The site visit will include interviews with key stakeholders and interested and affected parties. Annexure A contains a list of the secondary information reviewed. Annexure B summarises the assessment methodology that will be used to assign significance ratings during the assessment process.

1.3 PROJECT DESCRIPTION

Enertrag SA is proposing to develop a green hydrogen and ammonia facility (Facility) as part of the Camden renewable energy projects (Figure 1.2). Traditional hydrogen and ammonia are produced by burning of fossil fuels (coal or natural gas) to provide the required energy needed for their production. This method of production results in 'brown' hydrogen / ammonia as fossil fuels are used.

"Green" hydrogen and ammonia production differs from traditional production technologies in that the process relies exclusively on renewable resources (renewable energy) and for input air and water (feedstock), to produce commercially usable green hydrogen and ammonia.

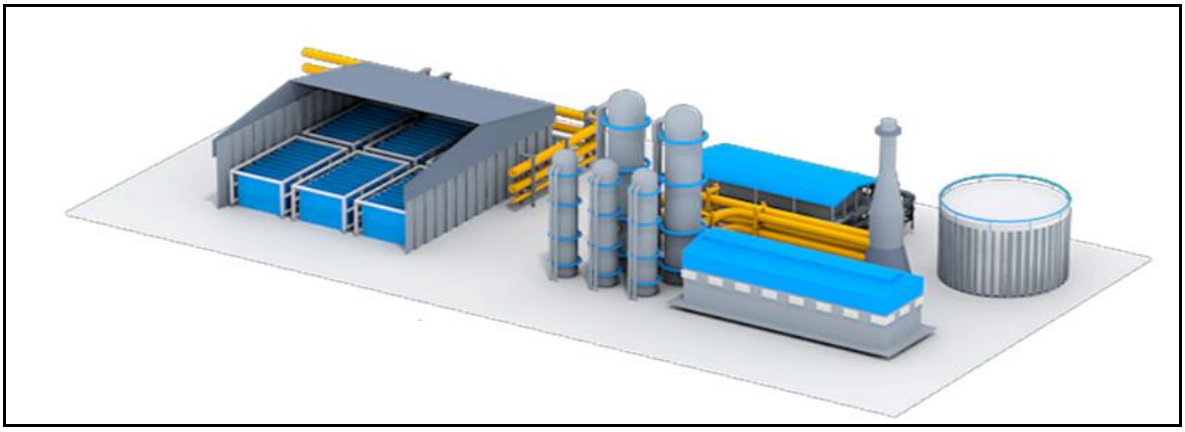

Figure 1.2: Illustration of green hydrogen and ammonia facility

Commercially, hydrogen is used as a fuel for transport in hydrogen fuel cells. Alternatively, hydrogen is used for welding and in the production of other chemicals such as methanol and hydrochloric acid and also has other commercial uses. It is also a primary input to the production of ammonia. Ammonia in turn is primarily used in the production of ammonium nitrate (fertiliser) and is also used as refrigerant gas and the manufacture of plastics, explosives, textiles, pesticides, and other chemicals. Ammonia can also be used as a stable 'carrier' of hydrogen, allowing hydrogen to be readily stored and transported.

The Facility will take up approximately 20 hectares of land. The site of the hydrogen facility is still to be determined, as it is highly dependent on the location of the Camden I main site substation. The affected land parcels associated with the two location options are shown in Table 1.1.

Table 1.1: Location of options for green hydrogen and ammonia facility

Parent Farm	Farm No	Portion No
Indicative Option One		
Welgelegen	322	1
Indicative Option Two		
Welgelegen	322	2

The different components and capacity that make up the green hydrogen and ammonia facility are listed in Table 1.2.

Table 1.2: Components of green hydrogen and ammonia facility

No.	Component	Footprint (Ha)	Maximum Capacity (tpa)
1	Water Reservoir	2	800
2	Water Treatment Unit	1.5	160,000
3	Electrolyser Unit	1	20,000
4	Air Separation Unit	0.5	110,000
5	Ammonia Processing Unit	2.5	100,000
6	Liquid Air Storage System (LAES)	1	405,000
7	Liquid Ammonia Storage Tank	1.5	175,000
8	Hydrogen Storage Tank	11	90,000
	Total Footprint	20	

1.4 ASSUMPTIONS AND LIMITATIONS

1.4.1 Assumptions

Identification of social issues

The identification of social issues is based on the authors experience associated with undertaking in the region SIAs for renewable energy facilities and associated infrastructure (substations, transmission lines, roads etc.). Based on this the author is confident that the majority of social issues have been identified. As indicated above, a site visit will be undertaken during the Assessment Phase of the SIA.

Technical suitability
It is assumed that the development site represents a technically suitable site for the establishment of the proposed development.

Strategic importance of the project
The strategic importance of promoting renewable and other forms of energy is supported by the national and provincial energy policies.

Fit with planning and policy requirements
Legislation and policies reflect societal norms and values. The legislative and policy context therefore plays an important role in identifying and assessing the potential social impacts associated with a proposed development. In this regard, a key component of the SIA process is to assess the proposed development in terms of its fit with key planning and policy documents. As such, if the findings of the study indicate that the proposed development in its current format does not conform to the spatial principles and guidelines contained in the relevant legislation and planning documents, and there are no significant or unique opportunities created by the development, the development cannot be supported.

1.4.2 Limitations

Demographic data
Some of the provincial documents do not contain data from the 2011 Census and or 2016 Household Community Survey. However, where required the relevant 2011 and 2016 data has been provided.

Site visit
A site visit will be undertaken during the Assessment Phase of the SIA. The site visit will include interviews with key stakeholders and interested and affected parties. However, as indicted above, the author is confident that the key social issues have been identified.

1.5 SPECIALIST DETAILS

Tony Barbour is an independent specialist with 28 years' experience in the field of environmental management. In terms of SIA experience Tony Barbour has undertaken in the region of 300 SIA's and is the author of the Guidelines for Social Impact Assessments for EIA's adopted by the Department of Environmental Affairs and Development Planning (DEA&DP) in the Western Cape in 2007. Annexure C contains a copy of CV for Tony Barbour.

1.6 DECLARATION OF INDEPENDENCE

This confirms that Tony Barbour, the specialist consultant responsible for undertaking the study and preparing the Scoping Level SIA Report, is independent and does not have a vested or financial interest in the proposed development being either approved or rejected. Annexure D contains a copy of signed declaration of independence.

1.7 REPORT STUCTURE

The report is divided into four sections, namely:

- Section 1: Introduction

- Section 2: Summary of key policy and planning documents relating to renewable energy and the area in question
- Section 3: Overview of the study area
- Section 4: Identification of key social issues

SECTION 2: POLICY AND PLANNING ENVIRONMENT

2.1 INTRODUCTION

Legislation and policy embody and reflect key societal norms, values, and developmental goals. The legislative and policy context therefore plays an important role in identifying, assessing, and evaluating the significance of potential social impacts associated with any given proposed development. An assessment of the "policy and planning fit[1]" of the proposed development therefore constitutes a key aspect of the 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:

- The National Energy Act (2008).
- The White Paper on the Energy Policy of the Republic of South Africa (December 1998).
- The White Paper on Renewable Energy (November 2003).
- Integrated Resource Plan (IRP) for South Africa (2010-2030).
- The National Development Plan (2011).
- New Growth Framework.
- National Infrastructure Plan.
- Mpumalanga Spatial Development Framework (2019).
- Msukaligwa Municipality Integrated Development Plan (2019-2020).
- Msukaligwa Spatial Development Framework (2019).

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

2.2 NATIONAL POLICY ENVIRONMENT

2.2.1 National Energy Act (Act No 34 of 2008)

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

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

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

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

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

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

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

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

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

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

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

The White Paper also notes that renewable energy applications have specific characteristics that need to be considered. Advantages include:

- Minimal environmental impacts in operation in comparison with traditional supply technologies.
- Generally lower running costs, and high labour intensities.

Disadvantages include:

- Higher capital costs in some cases.
- Lower energy densities.
- Lower levels of availability, depending on specific conditions, especially with sun and wind-based systems.

2.2.3 White Paper on Renewable Energy

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

The White Paper notes that while South Africa is well endowed with renewable energy resources that have the potential to become sustainable alternatives to fossil fuels, these have thus far remained largely untapped. As signatory to the Kyoto Protocol[2], Government is determined to make good the country's commitment to reducing greenhouse gas emissions. To this purpose, Government has committed itself to the development of a framework in which a national renewable energy framework can be established and operate.

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

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

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

2.2.4 Integrated Energy Plan (2016)

The development of a National Integrated Energy Plan (IEP) was envisaged in the White Paper on the Energy Policy of the Republic of South Africa of 1998 and, in terms of the National Energy Act, 2008 (Act No. 34 of 2008), the Minister of Energy is mandated to develop and, on an annual basis, review and publish the IEP in the Government Gazette. The purpose of the IEP is to provide a roadmap of the future energy landscape for South Africa which guides future energy infrastructure investments and policy development.

The IEP notes that South Africa needs to grow its energy supply to support economic expansion and in so doing, alleviate supply bottlenecks and supply-demand deficits. In addition, it is essential that all citizens are provided with clean and modern forms of energy at an affordable price. As part of the Integrated Energy Planning process, eight key objectives were identified, namely:

- Objective 1: Ensure security of supply.
- Objective 2: Minimise the cost of energy.
- Objective 3: Promote the creation of jobs and localisation.
- Objective 4: Minimise negative environmental impacts from the energy sector.

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

- Objective 5: Promote the conservation of water.
- Objective 6: Diversify supply sources and primary sources of energy.
- Objective 7: Promote energy efficiency in the economy.
- Objective 8: Increase access to modern energy.

The IEP provides an assessment of current energy consumption trends within different sectors of the economy (i.e., agriculture, commerce, industry, residential and transport) and uses this information to identify future energy requirements, based on different scenarios. The scenarios are informed by different assumptions on economic development and the structure of the economy and also consider the impact of key policies such as environmental policies, energy efficiency policies, transport policies and industrial policies, amongst others.

Based on this information the IEP then determines the optimal mix of energy sources and technologies to meet those energy needs in the most cost-effective manner for each of the scenarios. The associated environmental impacts, socio-economic benefits and macroeconomic impacts are also analysed. The IEP is therefore focused on determining the long-term energy pathway for South Africa, taking into account a multitude of factors which are embedded in the eight objectives.

As part of the analysis four key scenarios were developed, namely the Base Case, Environmental Awareness, Resource Constrained and Green Shoots scenarios:

- The Base Case Scenario assumes that existing policies are implemented and will continue to shape the energy sector landscape going forward. It assumes moderate economic growth in the medium to long term.
- The Environmental Awareness Scenario is characterised by more stringent emission limits and a more environmentally aware society, where a higher cost is placed on externalities caused by the supply of energy.
- The Resource Constrained Scenario in which global energy commodity prices (i.e., coal, crude oil, and natural gas) are high due to limited supply.
- The Green Shoots Scenario describes an economy in which the targets for high economic growth and structural changes to the economy, as set out in the National Development Plan (NDP), are met.

The IEP notes that South Africa should continue to pursue a diversified energy mix which reduces reliance on a single or a few primary energy sources.

2.2.5 National Development Plan

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

2.2.6 The New Growth Path Framework

The aim of the New Economic Growth Path Framework is to enhance growth, employment creation and equity. Central to the New Growth Path is a massive investment in infrastructure as a critical driver of jobs across the economy. In this regard, the framework identifies investments in five key areas namely: energy, transport, communication, water, and housing.

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

2.2.7 National Infrastructure Plan

The South African Government adopted a National Infrastructure Plan 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 plan also supports the integration of African economies. In terms of the plan, Government will invest R827 billion over the next three years to build new and upgrade existing infrastructure. The aim of the 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 consist of:

- Five geographically-focussed SIPs.
- Three spatial SIPs.
- Three energy SIPs.
- Three social infrastructure SIPs.
- Two knowledge SIPs.
- One regional integration SIP.
- One water and sanitation SIP.

The three energy SIPS are SIP 8, 9 and 10.

SIP 8: Green energy in support of the South African economy

- Support sustainable green energy initiatives on a national scale through a diverse range of clean energy options as envisaged in the Integrated Resource Plan (IRP 2010).
- Support bio-fuel production facilities.

SIP 9: Electricity generation to support socio-economic development

- Accelerate the construction of new electricity generation capacity in accordance with the IRP 2010 to meet the needs of the economy and address historical imbalances.
- Monitor implementation of major projects such as new power stations: Medupi, Kusile and Ingula.

SIP 10: Electricity transmission and distribution for all

- Expand the transmission and distribution network to address historical imbalances, provide access to electricity for all and support economic development.

- Align the 10-year transmission plan, the services backlog, the national broadband roll-out and the freight rail line development to leverage off regulatory approvals, supply chain and project development capacity.

2.3 PROVINCIAL AND LOCAL LEVEL POLICY AND PLANNING

2.3.1 Mpumalanga Spatial Development Framework (2019)

The spatial vision for Mpumalanga Province is "A sustainable, vibrant and inclusive economy, Mpumalanga". The SDF identifies a number of opportunities and challenges facing the province. The opportunities are linked to the province's natural resources, well developed economy, and established economies.

Natural Environment: The natural environment is diversified and is associated with the Highveld and the Lowveld areas in the province. Five major rivers systems in the flow through Mpumalanga and it is an important catchment area.

Connectivity and Infrastructure: The province is well connected in terms of infrastructure and is connected to Maputo and Richards Bay ports by both rail and road.

Economy: The province's rich biodiversity and scenic beauty support the tourism industry, while at the same time mining, specifically coal mining, plays a key role in the province's economy. The availability of high potential soil and diverse climatic condition also support a range of crops.

Urban settlements: The key urban centres are well established economic centres and offer the opportunity for further economic development by leveraging on the towns' economic bases.

In terms of challenges, climate change is identified as a key challenge. In this regard the activities in the province, specifically the generation of coal powered energy, account for 90% of South Africa's scheduled emissions. The province is also home to 50% of the most polluted towns in the country. The predicted impacts associated with climate change include decreased rainfall in the province and increase temperatures. This will increase the risk of natural disasters, including droughts, flooding and fires.

The SDF identifies five spatial objectives, namely:

Connectivity and corridor functionality: The aim is to ensure connectivity between nodes, secondary towns, marginalised areas, the surrounding area, and to green open space systems.

Sustainable concentration and agglomeration: The aim is to promote the creation of an agglomeration economy that will encourage people and economic activities to locate near one another in urban centres and industrial clusters.

Conservation and resource utilisation: The aim is to promote the maximisation, protection and maintenance of ecosystems, scarce natural resources, high-potential agricultural land, and integrated open space systems.

Liveability and sense of place: The aim is to create settlements that contribute to people's sense of personal and collective wellbeing and to their sense of satisfaction in being residents of a settlements.

Rural diversity and transformation: The aim is to create Urban-Rural anchors and choices for residents within the rural economy linked to access to markets, food security and security of land tenure.

Connectivity and corridor functionality, Sustainable concentration and agglomeration, and Conservation and resource utilisation are of specific relevance the proposed development.

Connectivity and corridor functionality
The strategic objectives (SOs) that are relevant the study area and the proposed development include:

- Strategic Objective 2: Development of the existing corridors and building new linkages to increase capacity and economic opportunities and ensure connectivity to the surrounding areas
- Strategic Objective 5: Decongestion of the coal haul roads and Improvement of Freight Network

In terms of SO 2, the spatial linkages identified for development and upgrading include the upgrade of N17, N17/N2 Corridor and the N12 and N11 corridor. The site is flanked by the N2 to the north east and N11 to the south west.

Sustainable concentration and agglomeration
Of specific relevance, Strategic Objective 4, Diversify Economy, focusses on the need to diversify the economy. The SDF notes that mining sector contributes 25% to Mpumalanga's GVA. In addition, there are a number of other sectors directly or indirectly dependent on mining such as manufacturing (specifically metal processing) and utilities (specifically power generation). The combined GVA of these three sectors makes up more than 40% of the provincial GVA.

However, the SDF recognises that mining is not a sustainable industry and resources are finite. There is therefore a need for a gradual shift from mining-oriented sectors to the sustainable economic sectors to maintain sustained growth of the provincial economy. Mpumalanga's Coal Mining and Coal Fired Power Plant region (located mainly in the Highveld area) will be come under increasing pressure due to environmental considerations. As a result, the region is likely to experience a decline in demand for coal and with it a decline in the associated employment it creates. There is therefore a need to diversify the regional economy and facilitate the gradual transition of economic activities in the region. The proposed development supports the objective of diversifying the provinces economy.

Conservation and resource utilisation
The strategic objectives (SOs) that are relevant the study area and the proposed development include:

- Strategic Objective 2: Ensure conservation of all water resources and catchment Areas.
- Strategic Objective 4: Promote a low carbon and climate resilient economy.
- Strategic Objective 6: To optimally utilise the mining potential without compromising the long-term sustainability of the natural environment.

Strategic Objective 2: Ensure Conservation of all Water Resources and Catchment Areas

Achieving Strategic Objective 2, Ensure Conservation of all Water Resources and Catchment Areas is closely linked to diversifying the economy. The SDF notes that the provinces water resources are under pressure from high demand activities, including Eskom's power stations, mining, and industrial uses. The proposed development represents a low consumer of water.

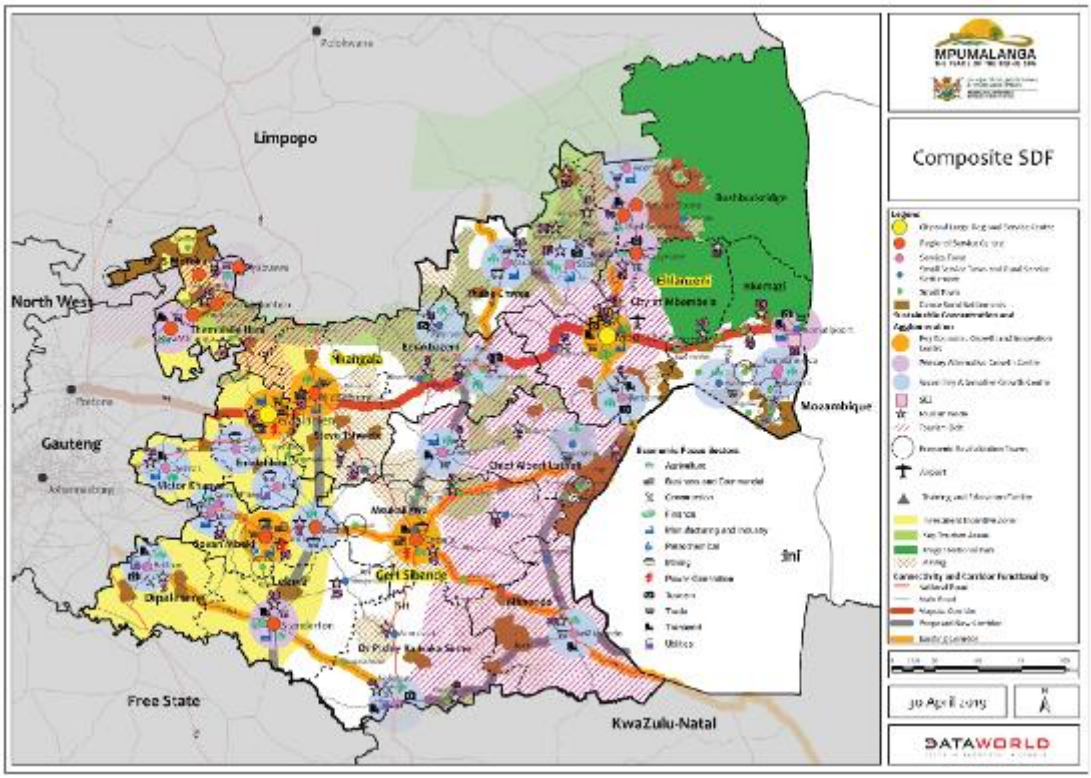
Strategic Objective 4: Promote a Low Carbon and Climate Resilient Economy

Mpumalanga is home to 12 of Eskom's 15 coal-fired power stations; petrochemical plants including Sasol's refinery in Secunda; metal smelters; coal and other mines; brick and stone works; fertiliser and chemical producers; explosives producers; and other smaller industrial operations, making the Highveld one of South Africa's industrial heartlands (CER, 2017). As a result, the air quality within the Mpumalanga Province, especially within the Highveld area, is the poorest in South Africa. The Highveld region accounts for approximately 90 % of South Africa's scheduled emissions of industrial dust, sulphur dioxide and nitrogen oxides (Wells et al. 1996, as cited in Josipovic et al. 2009). Achieving Strategic 4, Promote a low carbon and climate resilient economy, is closely linked to diversifying the economy. The proposed development supports the development of a low carbon, climate resistant economy.

Strategic Objective 6: To optimally utilise the mining potential without compromising the long-term sustainability of the natural environment

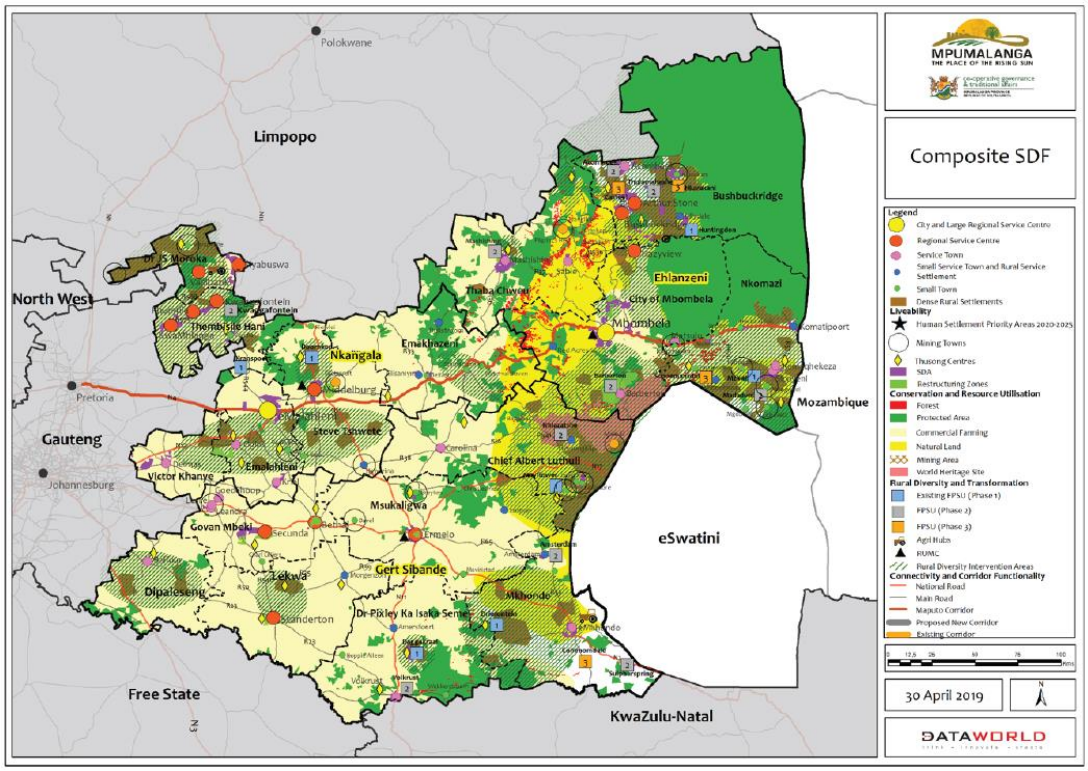
Mining contributes R 49.6 billion (approximately 25%) to the provincial economy. The key mining sector is coal, which represents 83% of South Africa's coal production. The mining sector, specifically coal mining, creates employment opportunities and supports the manufacturing and power generation sector. However, mining is also associated with many issues including water and soil contamination, air pollution and environmental degradation.

Achieving Strategic 6, To optimally utilise the mining potential without compromising the long-term sustainability of the natural environment is closely linked to diversifying and developing a low carbon climate resistant economy. The proposed development supports the objective of diversifying and developing a low carbon, climate resistant economy. In terms of the high-level composite spatial development framework, Ermelo is identified as a Regional Service Centre (red dot) and the development area located to the south east of the town falls within a mining area (brown hatched) (Figure 2.2). The economic sectors in the area include mining and power generation. The dominant land use in the area is commercial agriculture (yellow, Figure 2.3).



Source: Mpumalanga SDF

Figure 2.2: Mpumalanga Composite SDF-Economic Activities



Source: Mpumalanga SDF

Figure 2.3: Mpumalanga Composite SDF-Land Uses

2.3.2 Msukaligwa Integrated Development Plan

The Vision of Msukaligwa Municipality is to be "A Beacon of Service Excellence". The associated mission to meet the vision is:

- Enhancing community participation to steer development initiatives towards community needs.
- Advocating and stimulating local economy to promote economic growth and development.
- Improving good governance and measurable service delivery techniques.
- Enhancing effectiveness and efficiency in the utilization of available resources.
- Empowering our communities and the vulnerable groups in particular.
- Working in partnership with all its stakeholders.
- Continuously mobilizing resources to achieve high standards in service.

A SWOT analysis undertaken as part of the IDP process identified and number of opportunities and threats that are relevant to the development, namely.

Opportunities
- Power utility, government services, mining, tourism, agriculture, and forestry.
- National corridor developments (N2, N11 and N17).
- Strategic location of the municipality.

Threats
- Ageing infrastructure.
- High unemployment rate.
- Mines that are not rehabilitated.

Based on the outcome of the SWOT analysis a number of key focus areas were identified for attention over the 5-year IDP planning period of which the following are relevant.

- Unemployment and poor economic development.
- Insufficient access to basic services.
- Poor maintenance and upgrading of services infrastructure.
- Poor roads and storm water drainage system.

Besides Ermelo to the north west of the study area, the only other settlement located within relatively close proximity to the site is the rural settlement of Sheepmore, located to the east of the N2 and the study area.

The community engagement process undertaken as part of the IDP process indicated that a number of key issues in the rural areas that are relevant to the development. These include:

Basic services
A number of the rural areas in the MM that do not have access to basic services, including potable water, electricity, and toilets. Some of these challenges can be addressed through the SED initiatives associated with the development.

Skills development and job opportunities
There is a need to support skills development and create employment opportunities. The initiatives listed in the IDP include building of skills development centres or multipurpose centres, employing local contractors on projects implemented within municipality, creating opportunities for skills transfers by contractors and the provision

of bursaries and learnerships. The proposed development will create opportunities for skills development and employment.

Sports and recreation
There is a shortage of sports and recreation facilities and opportunities in many of the rural areas within the MM. The initiatives identified in the IDP to address this include the refurbishment of existing sports facilities, including the provision of ablution facilities, the construction of new sport facilities in remote areas and upgrading of security to prevent vandalism. Some of these challenges can be addressed through the SED initiatives associated with the development.

Section E of the IDP lists the developmental goals, objectives, strategies, and performance indicators. The strategic goals that are relevant to the development include:

- Sustainable and reliable delivery of basic services.
- Reduced unemployment and poverty.
- Social cohesion and spatial transformation.

The key priorities in terms of basic services with specific reference to rural areas includes the establishment of new and or up-grading of existing clinics, and the provision of mobile clinic services for more remote rural areas. The need for clinics outside Ermelo to operate 24 hours and seven days a week due to the absence of hospitals nearby was also raised as a key issue. reach the areas.

In terms of community facilities, the needs identified included, community halls and more Thusong Centres. Centres also need to be established for disabled members of the community.

The key priority in terms of unemployment and poverty is to support economic development and create employment opportunities.

The strategic objectives that are relevant to the development include:

- To provide sustainable and reliable services to communities.
- To coordinate efforts to address unemployment and poverty.

2.2.3 Msukaligwa Municipality Spatial Development Framework

The spatial vision for the MM is "*a diversified, vibrant rural economy that make optimal use of natural resources, supported by a well-connected network of sustainable rural service and economic nodes, where people have access to services and economic opportunity*".

The SDF is informed by a number of spatial objectives, namely:

- Provide a spatial structure that facilitates access to services for all communities.
- Protect strategic water sources and sensitive eco-systems.
- Provide space for the diversification of the local economy.
- Eliminate past spatial settlement patterns.

The provision of space of the diversification of the local economy is of specific relevance to the proposed development.

A SWOT analysis was undertaken as part of the preparation of the SDF. The key outcomes of the analysis are summarised below.

Strengths

- Rich natural resource base – minerals, high potential agricultural land, water resources, natural environment (lakes region).

Weakness

- Typical rural population distribution making it difficult to reach people with services.
- Remaining service backlogs (water, sanitation, refuse removal).
- Increasing poverty levels.
- Relatively low skills levels; declining functional literacy.

Opportunities

- National projects to enhance regional links may strengthen the locational advantage of Ermelo / Wesselton.
- Potential for tourism linked to natural assets.
- Potential for larger scale beneficiation supported by current nodal structure and transport links.
- Legislative investment by mines (social and labour plans) and the associated opportunity for service provision and socio-economic development[3].

Threats

- Declining coal reserves threatens mining economy and employment. Impact on mining sector also impacts on other related industries, such as manufacturing and transport.
- Global and national move away from carbon-based economy will lead to decline in mining, coal power generation economy and employment. This will also impact on mining related industries.
- Competing land uses – mining, agriculture, urban expansion, conservation
- Climate change – decreased rainfall and increased temperatures will have impact on agriculture, forestry, and settlements.
- Population growth exceeding expected and current economic growth.

The results of the SWOT analysis informed the identification of a set of priority issues centred around natural resource management and human development. The issues that are relevant to the proposed development include:

Strategic water source areas

Msukaligwa is part of a catchment area which is classified as strategic water source area at a national scale. The preservation and sustainable use of these water sources is becoming increasingly important in view of climate change. Decisions about the future development of the area should take cognisance of this issue, and not sacrifice long term water security in favour of meeting short term economic or development targets.

Conflicting land uses

Msukaligwa is richly endowed with natural resources including water, high potential land, minerals, and sensitive ecosystems that occur in attractive natural landscapes. However, these natural resources and the demand to exploit them spatially overlap and often conflict. The SDF highlights the need to address and manage potential land use conflicts.

[3] Opportunities associated with SLPs would also apply to Community Trusts associated with renewable energy projects.

Reliance on Carbon Economy

The area's economy is currently strongly dependent on coal mining. In addition to coal mining, the area also hosts the Camden Power Station. The SDF notes that the eventual decline of the mining sector and coal-based power generation, based on declining coal deposits and a move away from a carbon-based economy, is a long-term certainty for the area. Emphasis in spatial planning should be on the creation of opportunities to diversify the economy to lessen the impact of the decline.

The SDF highlights the risks posed by climate change, specifically given that large section of the economy is reliant on agriculture and forestry. The area is also the source area of some of the main strategic waterways of the country.

The SDF identifies a number of structuring elements that inform the spatial concept for the MM. These include urban development nodes, transportation corridors, mining areas and commercial agriculture and conservation areas.

The main town of Ermelo is designated as a Primary Node. The function of a Primary Node is to:

- Provide higher order services to the growing urban population, as well as the rural catchment area surrounding the node.
- Provide space for economic diversification and higher intensity economic development, with a focus on agriculture and related activities, mining, utilities, and ***power generation***, as well as transport and logistics. Support should also be provided too industrial and commercial uses, as well as business incubation centres and innovation centres, training facilities and educational institutes

Sheepmore, located to the east of the development area, is designated as Rural Node and has been identified as a site for the establishment of a Farmer Production Support Unit in terms of the Department of Rural Development and Land Reform's Agri-Park Programme. The economic focus on Sheepmoor is on forestry and agriculture (livestock, grains (maize and beans) and vegetables). Economic initiatives such as the establishment of grain silo, training in tree farming and provision of connecting infrastructure should be prioritised. The development of small agri-villages in consultation with Mondi/ Sappi is also identified as an initiative. The Socio-Economic Development (SED) spend linked to the proposed development could support for these initiatives

The N2 and N17 are identified as Primary Transportation Corridors, while the N11 is identified as a Secondary Corridor. The SDF notes that development of nodes along these corridors are proposed, in order to intensify development at specific points and achieve economies of scale.

The SDF highlights the key role and spatial extent of mining in the MM, including reference to the Camden coal-fired power station south of Ermelo. Over the longer term the rehabilitation of mining areas and a range of alternative peri-urban uses should be considered for the impacted areas in view of the decrease reliance on coal. Commercial Agriculture also represents a key economic activity in the MM. However, the SDF notes that climate change will pose a risk to the agricultural sector.

The structuring elements have been used to identify spatial focus areas. The areas of relevance to the development include:

- Agriculture and Forestry Focus Areas.

- Conservation and Tourism Focus Area.
- Mining and Peri-Urban Focus Areas.

Agriculture and Forestry Focus Areas

In terms of agricultural development, the SDF notes that the recommendations of the District Rural Development Plan for Gert Sibande District Municipality be implemented. The Plan identifies a number of rural intervention areas (RIAs). As indicated in Figure 2.4, the study area is not located in an RIA. The main land use is commercial farming.

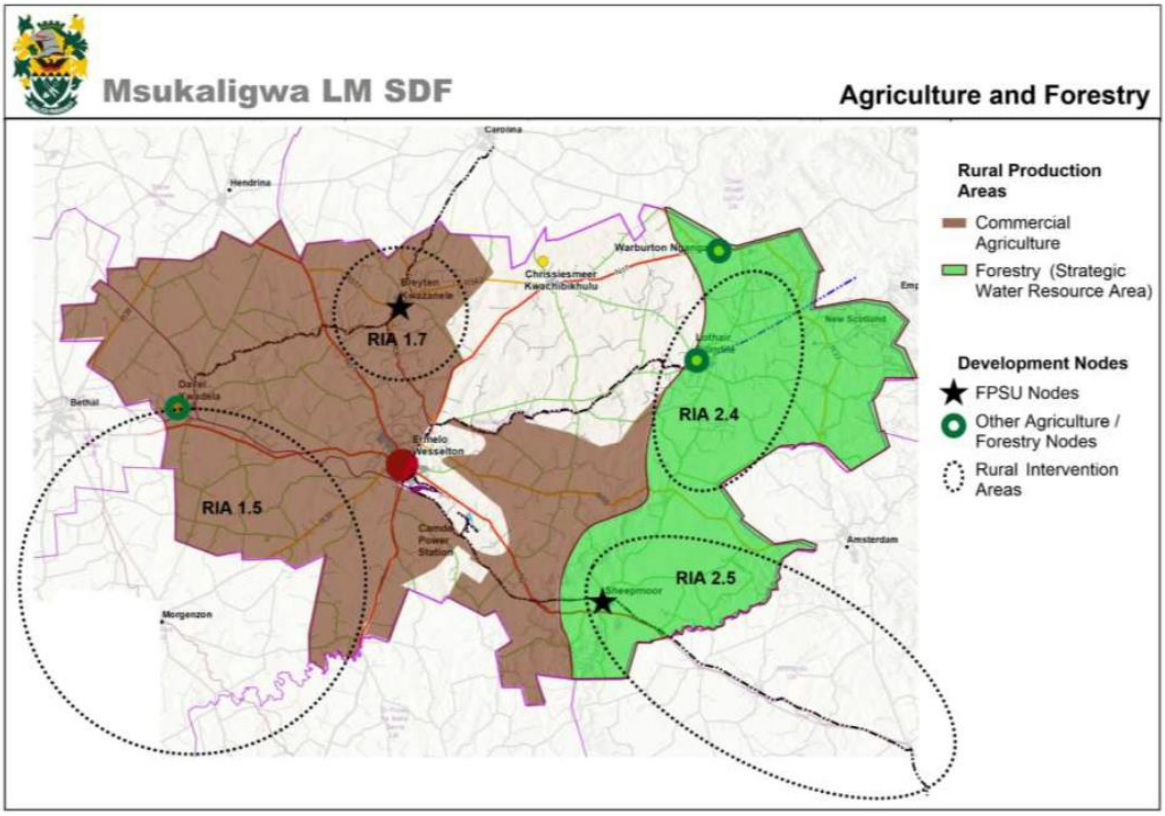


Figure 2.4: Msukaligwa SDF-Agriculture and Forestry

Conservation and Tourism Focus Areas

The SDF notes that the entire Msukaligwa area is environmentally sensitive, and all human activity should be conducted in such a way as to minimise impact. The key areas of significance identified include:

- The lakes region – this natural asset is not only an economic asset for tourism, but also an important ecosystem and an important mechanism to mitigate the impacts of climate change.
- Strategic water source areas and river headwaters – the area makes an important contribution to national water security, and also requires clean water for human development and economic activities such as agriculture.
- Protected areas – a number of small, protected areas exist outside the lake's region. There areas are not only important ecologically, but also from a tourism perspective.

The natural and cultural assets of Msukaligwa, notable the lakes region, has the potential to serve as a major attraction. In addition, the area's proximity to the large

markets of Gauteng and good regional connectivity should be harnessed in attracting more local tourists.

As indicated in Figure 2.5, the majority of the proposed development area is not located in a protected and or tourism area. There is however a protected area to the south of the development area. This will need to be assessed as part of the relevant specialist studies.

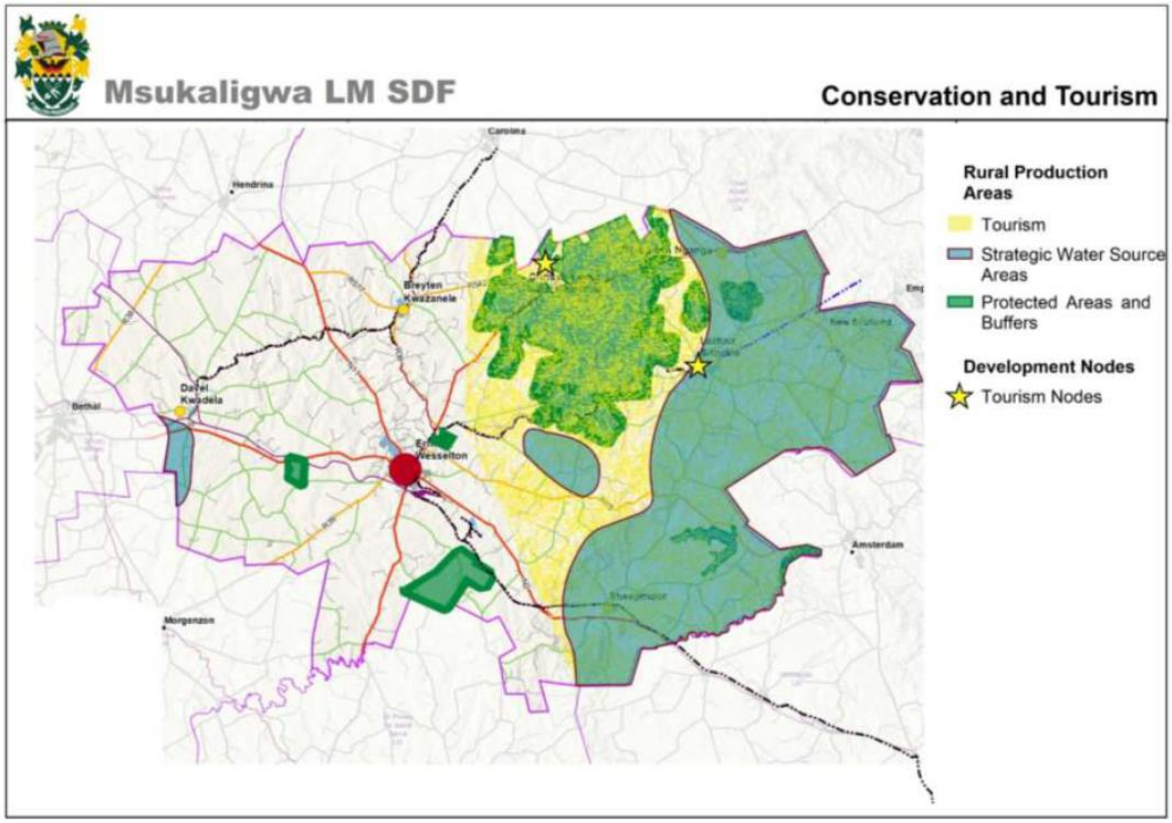


Figure 2.5: Msukaligwa SDF-Conservation and Tourism

Mining Areas

The SDF acknowledges the importance of the mining sector and notes that it will need to be accommodated over the short to medium term. However, of relevance to the proposed development the SDF refers to green industries and indicates that the existing site of the Camden Power Station and surrounds should be made available for new industrial development in the long term, to manage the long-term impact of the Power Station being decommissioned.

The existing road and rail infrastructure render the area in the vicinity of the Power Station and the site itself highly accessible creating an opportunity for redevelopment with alternative uses requiring extensive space and good connectivity. The SDF also notes that the mining belt area holds other potential that should be harnessed with a long-term view of diversifying the local economy to soften the long-term impact of eventual decline in mining. As indicated in Figure 2.6, the development area is located in an area where current mining activities take place (brown areas). The composite spatial development framework for the MM is informed by the various structuring elements. The spatial layout is reflected in Figure 2.7. As indicated in Figure 2.7, the

majority of the development area falls within a commercial agriculture area. There is also a protected area located to the south of the development area.

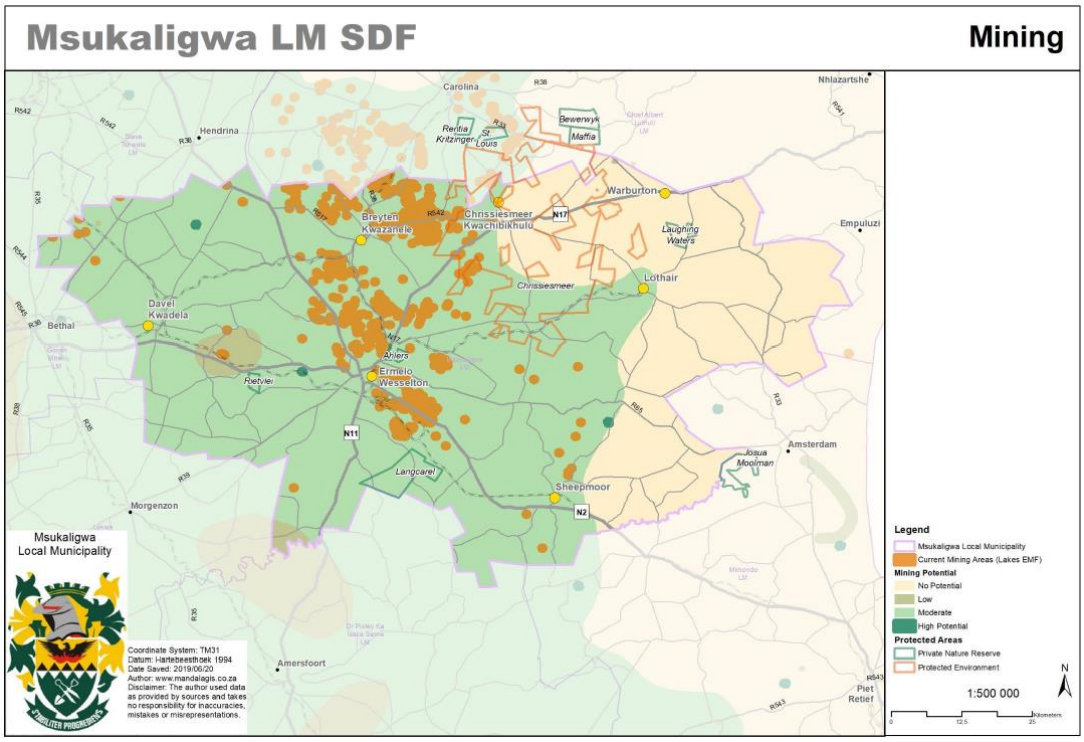


Figure 2.6: Msukaligwa SDF-Mining

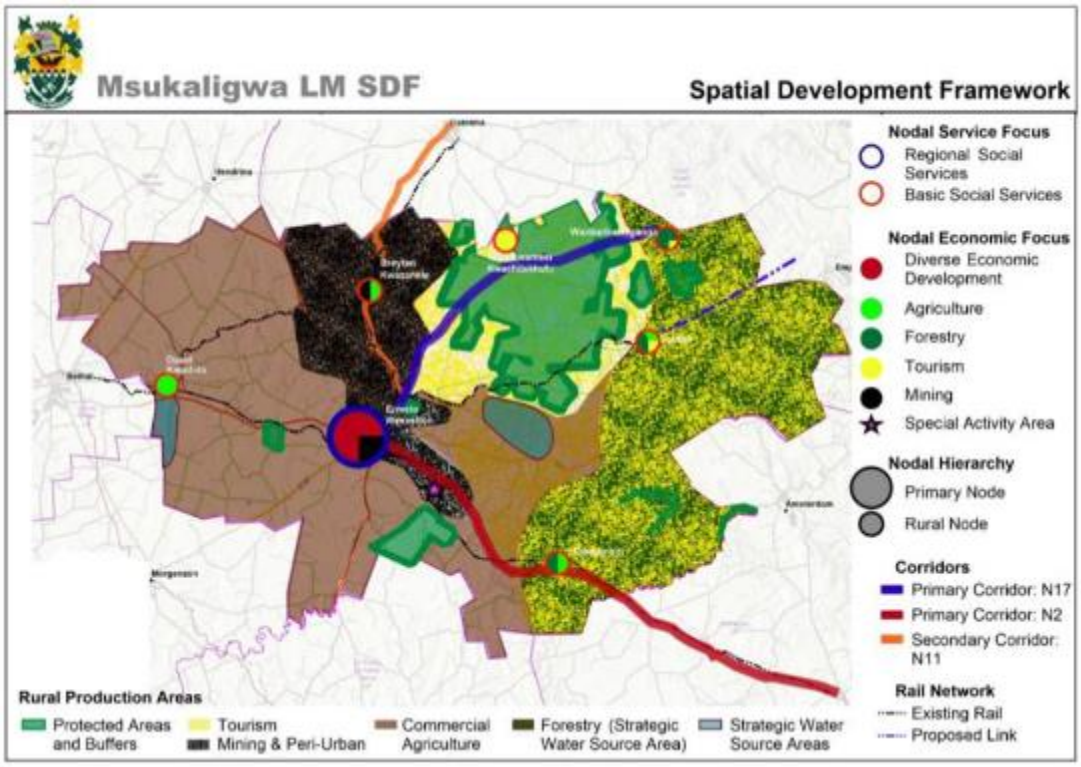


Figure 2.7: Msukaligwa SDF-Composite Spatial Development Framework

SECTION 3: OVERVIEW OF STUDY AREA

3.1 INTRODUCTION

Section 3 provides a baseline description of the study area with regard to:

- The administrative context.
- Provincial context.
- Overview of district and local municipalities.
- Site and the surrounding land uses.

3.2 ADMINISTRATIVE CONTEXT

The study area is located within the Msukaligwa Municipality (MM) within the Mpumalanga Province. The MM is one of the seven Local Municipalities that make up the Gert Sibande District Municipality (Figure 3.1). The town of Ermelo is the administrative seat of the MM.

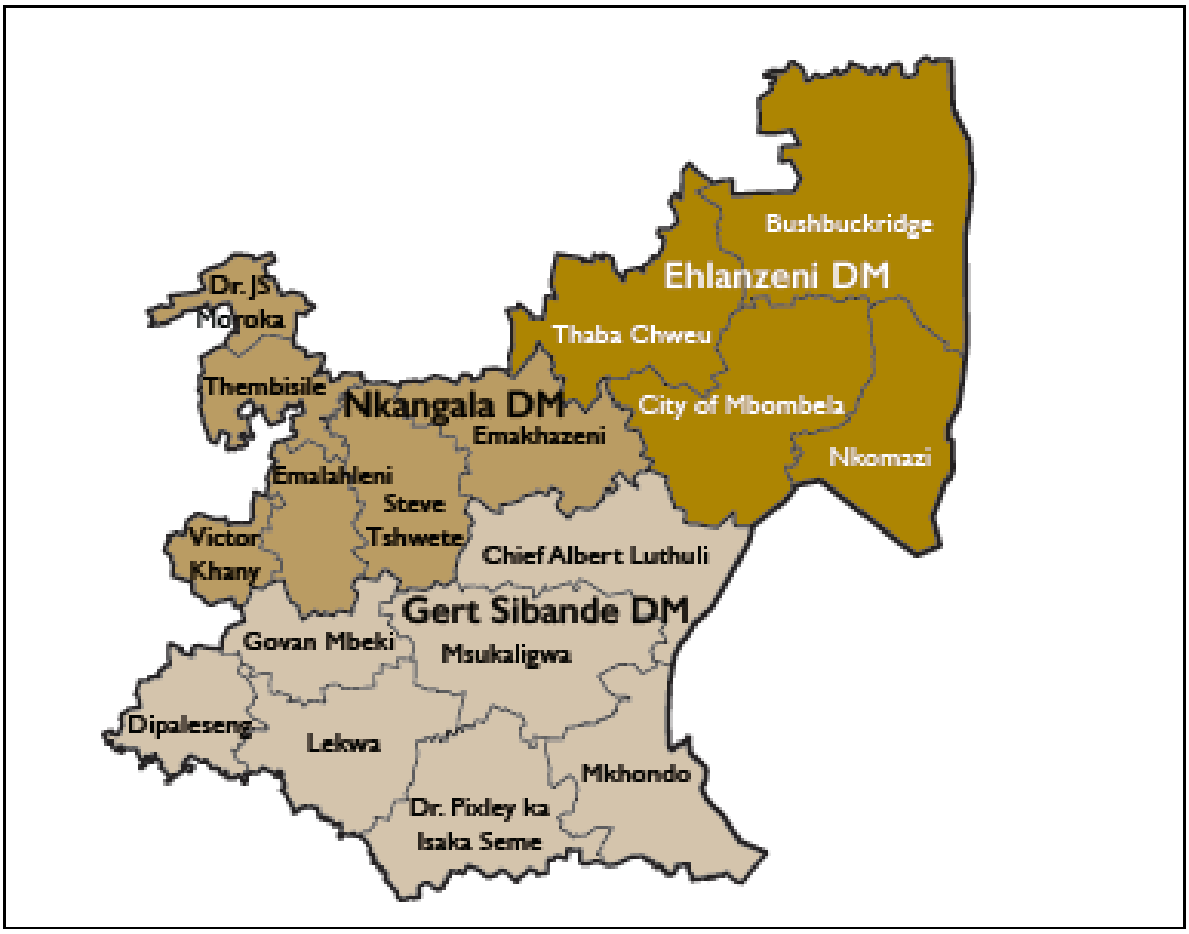


Figure 3.1: Location of Msukaligwa Municipality within the Gert Sibande District Municipality and Mpumalanga Province.

3.3 DEMOGRAPHIC OVERVIEW

Population

The population of the MM in 2016 was 164 608 (Community Household Survey 2016). Of this total, 35.4% were under the age of 18, 60.4% were between 18 and 64, and the remaining 4.1% were 65 and older. The MM therefore had a high percentage of the population that fall within the economically active group of 18-65. The figures are higher than the figures for the GSDM and Mpumalanga (57.7% and 56.6% respectively). This is likely to be due to the employment opportunities associated with the mining and manufacturing activities in the MM.

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 to reduced revenue for local authorities to meet the growing demand for services. The traditional approach is based people younger than 15 or older than 64. The information provided 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 ratios for the MM, the GSDM and Mpumalanga in 2016 were 65.4%, 73.5% and 77% respectively. The high dependency ratios reflect the limited employment and economic opportunities in the area and the province as a whole. As indicated above, a high dependency ratio also places pressure on local authorities in terms of service delivery.

In terms of race groups, Black Africans made up 91.6% of the population on the MM, followed by Whites, 6.9% and Asian or Indians, 0.9%, and Coloureds, 0.6%. This figures for the GSDM are similar. The main first language spoken in the MM was isizulu, 79.1%, followed by Siswati, 7.3% and Afrikaans, 6.2%.

Households and house types

The total number of households in the MM in 2016 was 51 090, which constituted approximately 20% of the total number of households in the GSDM. Of these 66.2% were formal houses, 9.1% flats in backyards, 6.6% traditional dwellings, and 9.4% shacks or informal dwellings. The figures for the GSDM were 67.2%, 4.6%, 6.7% and 13.4% respectively. The majority of dwellings in the MM are therefore formal structures. A relatively large percentage of the properties in the MM (43.3%), while 5.9% were owned and in the process of being paid off. 22.1% of the households rented their properties, while 10.6% occupied their properties rent free. The rent-free figure is likely to be associated with farm workers. The relatively high number of properties that are owned and or in the process of being paid off reflects a relatively stable and established community.

In terms of household heads, approximately 38.9% of the households in the MM and 39.1% of the households in the GSDM were headed by women. These figures similar to the provincial figure of 39.71%. The high percentage of households headed by women reflects the likelihood that the men have left the area in search of employment opportunities in Gauteng. Women headed households tend to be more vulnerable.

Household income
Based on the data from the 2011 Census, 12.6% of the population of the MM had no formal income, 4.1% earned less than R 4 800, 7.1% earned between R 5 000 and R 10 000 per annum, 17.7% between R 10 000 and R 20 000 per annum and 20.9% between R 20 000 and 40 000 per annum (2016). 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 62.4% of the households in the MM and 65.2% in the GSDM live close to or below the poverty line. The low-income levels reflect the rural nature of the local economy and the limited formal employment opportunities outside in the urban areas. This is also reflected in the high unemployment rates. 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 MM. This in turn impacts on the ability of the MM to maintain and provide services.

Household income levels are likely to have been impacted by the COVID-19 pandemic. The number of households in the MM and GSDM that live close to or below the poverty line is likely to have increased over the last 18 months. This, coupled with the high dependency ratio, is a major cause of concern for the area.

Employment
The official unemployment rate in the MM in 2016 was 15.6%, while 42.6% were employed, and 36.4% were regarded as not economically active. However, the COVID-19 pandemic is likely to have resulted in an increase in unemployment rates in both the ULM and Ward 3. Recent figures released by Stats South Africa also indicate that South Africa's unemployment rate is in the region of 36%, the highest formal unemployment rate in the world.

Education
In terms of education levels, the percentage of the population over 20 years of age in the MM and GSDM with no schooling was 10.6% (2016), compared to 10.8% and 11.3% for the GSDM and Mpumalanga Cape Province. The percentage of the population over the age of 20 with matric was 34.12%, compared to 34.3% and 36.1% for the GSDM and Mpumalanga. The education levels for the MM are therefore similar to the DM and Provincial figures.

3.4 MUNICIPAL SERVICES

Electricity
Based on 2016 survey, 87% of households in the MM had access to electricity, compared to 90% for the GSDM and 93% for Mpumalanga.

Access to water
Based on the 2016 survey information, 81.7% of households in the MM were supplied by a service provider, while 5.8% relied on their own service or natural sources (4%). The reliance on own services or natural sources reflects the rural nature of large parts the MM.

Sanitation
72.3% of the households in the MM had access to flush toilets (2016), while 18.8% relied on pit toilets and 3.2% had no access to formal sanitation. The high percentage of households that rely on pit toilets is linked to the relatively high percentage (9.4%) of households that live in shacks.

Refuse collection
Only 59.4% of the households in the MM had access to regular refuse removal service, while 16.5% disposed of their waste at their own dump and 7.1% had not access to facilities. The low percentage of households that have access to regular refuse removal services is linked to the relatively high percentage (9.4%) of households that live in shacks. The relatively higher percentage that dispose of their waste at their own dump reflects the rural nature of the area and the difficulty of providing municipal services to areas located at a distance from the main towns in the area.

3.5 HEALTH, EDUCATION AND COMMUNITY FACILITIES

Health Services
The MM IDP indicates that there is 1 government and 1 private hospital in the MM, 10 primary health care clinics, and 4 mobile clinics (Table 3.1).

Table 3.1: Health services in Msukaligwa Municipality

Facilities	Number
Private Hospitals	1
Primary Health Care Clinics	10
Mobile Clinics	4
Government hospitals	1
Infectious Hospital (TB)	1
Dentists	4
Gynaecologist	1
Social Workers	12
Private Doctors	20

Educational Facilities
The MM IDP indicates that there are 71 primary schools, 6 high schools, 12 combined schools and 11 secondary schools in the MM. There is 1 FET College, but no tertiary facility (Table 3.2). The IDP notes that given the growth in the area there is a need for at least a tertiary institution within the GSDM. Development within Ermelo has also created a need for more primary and high schools.

Table 3.2: Educational Facilities in Msukaligwa Municipality

Facility	Number
No. of Primary Schools	71
No. of High School	6
No. of Combined Schools	12
No. of Secondary Schools	11
No. of Tertiary Education Facilities	0
No. of FET Colleges	1
No. of Training Centres/Adult Education	9
No. of Private Schools	3
Day Care Centres	40

Community Facilities

Table 3.3 lists the community facilities in the MM. As indicated in the table, Ermelo as the administrative centre is relatively well catered for in terms of community facilities, including police stations, sports facilities, libraries, community halls and pension pay out points. However, Sheepmore, which is the closest rural settlement to the development area does not have a library and the sports facility is an informal soccer field.

Table 3.3: Community facilities

Area/Town	Police Station	Public Sport Facilities	Public Libraries	Community Halls	MPCC/TSC	Post Offices	Pension pay points	Comments
Breyten/KwaZanele	1	4	2	2	1	1	1	There is one informal soccer field at Breyten
Ermelo, Wesselton, Cassim Park and Thusiville	2	9	4	5	-	1	2	There are five informal soccer field at Wesselton. The Thusiville library is completed but not yet operating.
Chrissiesmeer/Kwachibikhulu	1	1	1	1	-	1	1	There is one informal soccer field at Chrissiesmeer

Area/Town	Police Station	Public Sport Facilities	Public Libraries	Community Halls	MPCC/TSC	Post Offices	Pension pay points	Comments
Davel/Kwadela	1	2	1	1	-	1	1	There is one informal soccer field at KwaDela. There is a complaint that the existing library at Davel is far from the majority users who reside at KwaDela.
Lothair/Silindile	1	1	1	1	1	1	1	The TSC is almost completed and postal services run by agency at Lothair
Sheepmoor	1	1	-	1	-	1	1	There is one informal soccer field at Sheepmoor. No library at Sheepmoor
Warburton/Nganga	-	1	-	-	-	1		Postal services run by agency at Warburton. The sport facility is an informal soccer field. No library service at Warburton.
TOTAL	7	19	8	11	2	6		

3.6 ECONOMIC OVERVIEW

The economic growth rate for Msukaligwa was at 3.0% per annum on average over the period 1996 to 2017 and forecasted average annual GDP growth for 2017-2022 relatively low at 1.3%. The contribution of Msukaligwa to the Mpumalanga economy was around 4.3%, making it the fifth largest local economy in the province. It is the second largest economy in the District, contributing around 15.5%.21

The key economic sectors in the MM in 2017 in terms of contribution to GDP were mining (20.3%), community services (18.5%), trade (including industries such as tourism) (18.2%) and finance (14.2%) (Table 3.4). Despite the importance of agriculture, it only contributed 6% to GDP in 2017. The IDP notes that the MM has a comparative advantage in economic sectors such as agriculture, transport, and mining.

Table 3.4: Contribution of sectors to Msukaligwa Municipality GDP

Economic Sector	2014	2017	Change
Agriculture	5,3%	6,0%	0,7%
Community Services	18,4%	18,5%	0,1%
Construction	2,7%	2,7%	0,0%
Finance	13,3%	14,2%	0,9%
Manufacturing	5,1%	5,1%	0,0%
Mining	20,8%	20,3%	-0,5%
Trade	18,5%	18,2%	-0,3%
Transport	11,3%	11,3%	0,0%
Utilities	4,5%	3,8%	-0,7%

Finance and Agriculture achieved the highest, although slight, growth in contribution from 2014 to 2017. The contribution of utilities, mining and trade declined slightly.

In terms of employment, the trade sector (20.6%) was the most important sector in terms of employment, followed by community services (15.3%), mining (12.8%), finance (11.6%) and manufacturing (10.1%) (Table 3.5).

Table 3.5: Contribution to employment of sectors in Msukaligwa Municipality

Employment Sector	2014	2017	Change
Agriculture	6%	6,3%	0,3%
Community Services	14,5%	15,3%	0,8%
Construction	7,9%	8,5%	0,6%
Finance	11,2%	11,6%	0,4%
Manufacturing	9,9%	10,1%	0,2%
Mining	14,7%	12,8%	-1,9%
Trade	21,1%	20,6%	-0,5%
Transport	4,5%	4,7%	0,2%
Utilities	2,5%	2,4%	-0,1%

In terms of unemployment, the MM unemployment rate was the 6th lowest among all the municipal areas of Mpumalanga. The unemployment rate deteriorated slightly from 23.1% in 2014 to 24.1% in 2017. Unemployment rates are higher for females at 29.8% and for males at 24.1%. However, youth unemployment at 34.5% is a key concern.

The IDP notes that in terms of future economic development, coal mining can be expected to remain an important sector for the short to medium term. However, the role of this sector is expected to decline in the medium to long term due to limited coal resources, and a move away from a coal-based economy locally and globally due the impact on climate. The current transport and logistics sector is also likely to be impacted on by a decline in coal mining.

3.7 OVERVIEW OF STUDY AREA[4]

The study area is located ~ 10 km to the south-east of the town of Ermelo, which is the administrative centre of the MM. Ermelo is also know as the garden city of Mpumalanga and the gateway to the province. The only other settlement in the area is the rural settlement of Sheepmore located ~ 20 km to the east of the site.

Three national highways, namely the N2, N11 and the N17 intersect at Ermelo. The N2 freeway connects Ermelo with Richards Bay on the KwaZulu Natal coastline. The N11 South connects the town to Newcastle to the south and then onto the Ladysmith before linking up with the N3 to Durban. The N11 north connects to Middelburg and the N4 freeway west to Pretoria. The N17 West connects the town to the southern suburbs of Johannesburg and N17 East to eSwatini.

Ermelo is also a major railway junction between Mpumalanga and KwaZulu-Natal. The rail junction connects to Machadodorp which is on the Pretoria and Maputo railway line. The town also lies on the railway line that connects the Mpumalanga coalfields with the export Port of Richards Bay on the Indian Ocean.

[4] The overview of the study area will be updated following the site visit during the Assessment Phase

The study area is flanked by the N2 to the north and north-east of the site, and the N11 to the west and south west of the site. The Richards Bay railway line traverse the site to the south of the Camden Power station site (Figure 3.2).

Figure 3.1: Location of study area

The Eskom Camden Coal Power station is located immediately to the north and north east of the site (Photograph 3.1). Construction of the 1600 MW power station commenced in November/December 1962 and the first turbo-generator was commissioned in April 1967. The last of the eight units was commissioned in 1969. The Camden Power station became the starting point of the national power grid, consisting of a series of 400 kV lines which today interconnect the entire country. The power station has six 111.86 m high cooling towers and four 154 chimney (smoke stacks) that served 8 boilers.

Between 1990 and 2006 the station was mothballed, but South Africa's energy crisis in the early 21st century prompted Eskom to recommission the station, starting with unit 6 in July 2005 and completing with unit 1 in July 2008.

The development of the Camden Power station also involved the construction of 356 permanent houses to the north of the power station to accommodate administration, operating and maintenance personnel. Community facilities including a community hall, sports facilities, included four tennis courts, a bowling green, swimming bath, shooting range, rugby, hockey, soccer, and cricket fields and jukskei, and the associated clubhouses and changerooms were also established. Several parks, situated throughout the residential property, provided playgrounds for some 500 children at Camden. Schooling was provided in Ermelo for these children, with a regular bus service operating between Camden and Ermelo[5].

[5] https://www.eskom.co.za/sites/heritage/Pages/Camden.aspx

Photograph 3.1: Camden Power Station

The other land uses in the study area include coal mining and commercial agriculture. Commercial agriculture in the area between the N2 and N11 to the south and west of the Camden Power Station includes livestock and grain farming. There are a number of farmsteads associated with the farming operations in the area, some of which are no longer inhabited. The number of occupied farmsteads will be confirmed during the site visit undertaken during the assessment phase. A guest farm, the Drinkwater Guest Farm, is located adjacent to and east of the N11, ~ 14 km south west of the Camden Power Station.

The social environment can therefore be described is a working agricultural / industrial (power related) environment. With the exception of the Drinkwater Guest Farm there do not appear to be any other tourist related activities located in the study area. Therefore, from a social perspective there appear to be a limited number of sensitive social receptors. This will be confirmed during the site visit undertaken during the Assessment Phase of the SIA.

SECTION 4: OVERVIEW OF KEY SOCIAL ISSUES

4.1 INTRODUCTION

Section 4 provides an overview of key social issues identified that will be assessment during the Assessment Phase. The identification of key issues was based on:

- Review of project related information.
- Experience/ familiarity of the author with the area and local conditions.
- Experience with similar projects.

The section is divided into the following sections:

- Compatibility with relevant policy and planning context ("planning fit").
- Social issues associated with the construction phase.
- Social issues associated with the operational phase.
- Social issues associated with the decommissioning phase.
- Social implications of "no development" alternative.
- Social implications associated with cumulative impacts.

4.2 ASSESSMENT OF POLICY AND PLANNING FIT

The development of renewable energy is strongly supported at a national, provincial, and local level. The development of and investment in renewable energy is supported by the National Development Plan (NDP), New Growth Path Framework and National Infrastructure Plan, which all refer to and support renewable energy. The development of renewable energy is also supported by the MMSDF. In this regard the SDF acknowledges the importance of the mining sector and notes that it will need to be accommodated over the short to medium term. However, of relevance to the proposed development the SDF refers to green industries and indicates that the existing site of the Camden Power Station and surrounds should be made available for new industrial development in the long term, to manage the long-term impact of the Power Station being decommissioned.

4.3 CONSTRUCTION PHASE SOCIAL IMPACTS

Potential positive impacts

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

Potential negative impacts

- Impacts associated with the presence of construction workers on local communities.
- Impacts related to the potential influx of job-seekers.
- 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.

- Nuisance impacts, such as noise, dust, and safety, associated with construction related activities and vehicles.
- Impact on productive farmland.

4.3.1 Creation of local employment, training, and business opportunities

The construction phase will create employment opportunities that will benefit members from the local communities in the area, specifically Ermelo. These opportunities will include opportunities for low, semi and highly workers. Most of the employment opportunities will accrue to Historically Disadvantaged (HD) members of the community. A percentage of the wage bill will be spent in the local economy which will also create opportunities for local businesses in the local towns in the area, specifically Ermelo. Given relatively high local unemployment levels and limited job opportunities in the area, this will represent a significant, if localised, social benefit. The capital expenditure associated with the construction phase will also create opportunities for local businesses. Due to the presence of the mining and energy sector, there are likely to qualified companies in Ermelo that can provide the required services and products. The local service sector will also benefit from the construction phase. The potential opportunities would be linked to accommodation, catering, cleaning, transport, and security, etc. associated with the construction workers on the site.

The hospitality industry in the area will also benefit from the provision of accommodation and meals for professionals (engineers, quantity surveyors, project managers, product representatives etc.) and other (non-construction) personnel involved on the project. Experience from other construction projects indicates that the potential opportunities are not limited to on-site construction workers but also to consultants and product representatives associated with the project.

Table 4.1: Employment and business creation opportunities during the construction phase

Nature: Creation of employment and business opportunities during the construction phase			
Issue	**Nature of Impact**	**Extent of Impact**	**No-Go Areas**
Creation of employment and business opportunities during the construction phase	Direct impacts: » Creation of temporary employment opportunities » Creation of business and procurement opportunities Indirect impacts: » Support for local economy. » Creation of training and skills development opportunities	Local-Regional	N/A
Description of expected significance of impact The construction phase will create employment opportunities for all skills levels that will benefit members from the local community. The business-related opportunities will be linked to providing specialised engineering and construction services and hospitality (accommodation) and services sector (catering, security, transport etc.).			
Gaps in knowledge & recommendations for further study » Collection of information on local business sector and services » Collection of information on local skills and education levels. » Collection of information on local hospitality and services sector. **Recommendations with regards to general field surveys**			

» Site visit and interviews with representatives from local municipality, and the hospitality and services sector. » Site visit and interviews with local chamber of commerce.

4.3.2 Impact of construction workers on local communities

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

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

The objective will be to source as many of the low and semi-skilled workers locally. These workers will be from the local community and form part of the local family and social networks. This will reduce the risk and mitigate the potential impacts on the local community. The potential impact on the local community is therefore likely to be negligible.

Table 4.2: Presence of construction workers in the area on local communities

Nature: Potential impacts on family structures and social networks associated with the presence of construction workers			
Issue	**Nature of Impact**	**Extent of Impact**	**No-Go Areas**
Potential impacts on family structures and social networks associated with the presence of construction workers	Direct impacts: » Disruption of existing family structures and social networks » Anti-social behaviour of construction workers » Increase in substance abuse, crime, sexually transmitted diseases. » Unplanned pregnancies Indirect impacts: » Impact on psychological well-being of local communities. » Resentment of outsiders and tension within local communities	Local-Regional	N/A
Description of expected significance of impact Evidence from similar construction projects indicates that presence and behaviour of construction workers can impact negatively on local communities. However, given location of the project and its proximity to Ermelo the risks are likely to be low.			

Gaps in knowledge & recommendations for further study
» Collection of information on local skills and education levels. Employing local community members reduces the potential risks » Collection of information on accommodation options and capacity. » Collection of information on existing community challenges and needs.
Recommendations with regards to general field surveys
» Site visit and interviews with representatives from local municipality and community representatives. » Site visit and interviews with representatives from hospitality sector with regard to accommodation options.

4.3.3 Influx of job seekers

Large construction projects tend to attract people to the area in the hope that they will secure a job, even if it is a temporary job. These job seekers can in turn become "economically stranded" in the area or decide to stay on irrespective of finding a job or not. While the proposed project on its own does not constitute a large construction project, the establishment of a number of renewable energy projects in the area may attract job seekers to the area. As in the case of construction workers employed on the project, the actual presence of job seekers in the area does not in itself constitute a social impact. However, the way in which they conduct themselves can impact on the local community. The main areas of concern associated with the influx of job seekers include:

- Impacts on existing social networks and community structures.
- Competition for housing, specifically low-cost housing.
- Competition for scarce jobs.
- Increase in incidences of crime.

These issues are similar to the concerns associated with the presence of construction workers and are discussed in Section 4.4.2. Given the location of the project the potential for large scale economically motivated in-migration and subsequent labour stranding is likely to be negligible.

Table 4.3: Impact of job seekers on local communities

Nature: Potential impacts on family structures, social networks and community services associated with the influx of job seekers			
Issue	**Nature of Impact**	**Extent of Impact**	**No-Go Areas**
Potential impacts on family structures, social networks and community services associated with the influx of job seekers	Direct impacts: » Disruption of existing family structures and social networks » Anti-social behaviour of construction workers » Increase in substance abuse, crime, sexually transmitted diseases. » Unplanned pregnancies » Pressure on local services Indirect impacts:	Local-Regional	N/A

	» Impact on psychological well-being of local communities. » Resentment of outsiders and tension within local communities		
Description of expected significance of impact Evidence from similar construction projects indicates that the construction phase can result in the influx of jobseekers to the area and that this has the potential to impact negatively on local communities. Given the location of the project the potential for large scale economically motivated in-migration and subsequent labour stranding is likely to be negligible.			
Gaps in knowledge & recommendations for further study » Collection of information on existing community challenges and needs. **Recommendations with regards to general field surveys** » Site visit and interviews with representatives from local municipality and community representatives.			

4.3.4 Risk to safety, livestock, and farm infrastructure

The presence on and movement of construction workers on and off the site poses a potential safety threat to local famers and farm workers in the vicinity of the site. In addition, farm infrastructure, such as fences and gates, may be damaged and stock losses may also result from gates being left open and/or fences being damaged, or stock theft linked either directly or indirectly to the presence of farm workers on the site. The potential risks (safety, livestock, and farm infrastructure) can be effectively mitigated by careful planning and managing the movement of construction on and off the site workers during the construction phase.

Table 4.4: Risk to safety, livestock, and damage to farm infrastructure

Nature: Potential risk to farmers and farm workers, livestock and damage to farm infrastructure associated with the presence and activities of construction workers on site			
Issue	**Nature of Impact**	**Extent of Impact**	**No-Go Areas**
Potential risk to safety of scholars, farmers and farm workers, livestock and damage to farm infrastructure associated with the presence of construction workers on site	Direct impacts: » Damage of gates, fences, etc. » Injuries to and loss of livestock » Break-ins, and theft of from local farms. » Damage of local farm roads. Indirect impacts: » Exposure to outside people of farming operations and risk to farming operations. » Increased risk of stock-theft.	Local	N/A
Description of expected significance of impact Evidence from the other renewable energy projects indicates that the movement and activities of construction workers can impact on farming operations. The impacts include damage to fences and gates, gates being left open resulting in loss of livestock, increased risk of petty theft and stock theft etc.			
Gaps in knowledge & recommendations for further study » Collection of information on existing farming operations and activities.			

Recommendations with regards to general field surveys » Site visit and interviews with local farmers and representatives from local farming associations etc.

4.3.5 Increased risk of grass fires

The presence of construction workers and construction-related activities on the site poses an increased risk of grass fires that could, in turn pose, a threat to livestock, crops, wildlife and farm infrastructure. The potential risk of grass fires will be higher during the dry, windy winter months from May to October. The impacts will be largely local and can be effectively mitigated.

Table 4.5: Impact of increased risk of grass fires

Nature: Potential loss of livestock, crops and houses, damage to farm infrastructure and threat to human life associated with increased incidence of grass fires			
Issue	**Nature of Impact**	**Extent of Impact**	**No-Go Areas**
Potential loss of livestock, crops and houses, damage to farm infrastructure and threat to human life associated with increased incidence of grass fires	Direct impacts: » Damage of structures, grazing, gates, fences, etc. » Injuries to and loss of livestock Indirect impacts: » Impact on stocking levels and future farming operations. » Increased risk of stock losses and theft.	Local	N/A
Description of expected significance of impact Evidence from the other renewable energy projects indicates that the activities associated with the construction phase can increase the risk of grass fires, which in turn can impact on farming operations. The impacts include loss of grazing, damage to structures, fences, and gates, etc. These impacts impact on the livelihood of farmers.			
Gaps in knowledge & recommendations for further study » Collection of information on existing farming operations and activities, and risk of grass fires in the area. **Recommendations with regards to general field surveys** » Site visit and interviews with local farmers and representatives from local farming associations etc.			

4.3.6 Nuisance impacts associated with construction related activities

Construction related activities, including the movement of heavy construction vehicles of and on the site, has the potential to create dust, noise and safety impacts and damage roads. The impacts will be largely local and can be effectively mitigated.

Table 4.6: **Impacts associated with construction related activities**

Nature: Potential noise, dust and safety impacts associated with construction related activities			
Issue	**Nature of Impact**	**Extent of Impact**	**No-Go Areas**
Potential noise, dust and safety impacts associated with construction related activities	Direct impacts: » Dust impacts, and impact on quality of life and also crops and grazing. » Noise impacts, and impact on quality of life. » Safety of farmers due to movement of construction vehicles » Damage of local farm roads. Indirect impacts: » Limited indirect impacts	Local	N/A
Description of expected significance of impact Evidence from the other renewable energy projects indicates that the activities associated with the construction phase do result in dust, noise and safety impacts that can impact on local farmers and farm workers.			
Gaps in knowledge & recommendations for further study » Collection of information on existing farming operations and activities. **Recommendations with regards to general field surveys** » Site visit and interviews with local farmers and representatives from local farming associations etc.			

4.3.7 Impacts associated with loss of farmland

The activities associated with the construction phase and establishment of the proposed project and associated infrastructure will result in the disturbance and loss of land available for grazing. The impact on farmland associated with the construction phase can be mitigated by minimising the footprint of the construction related activities and ensuring that disturbed areas are fully rehabilitated on completion of the construction phase. In addition, the landowner will be compensated for the loss of land.

Table 4.7: Impact on farmland due to construction related activities

Nature: The activities associated with the construction phase, such as establishment of access roads and the construction camp, movement of heavy vehicles and preparation of foundations for the project etc. will damage farmlands and result in a loss of farmlands for grazing.			
Issue	**Nature of Impact**	**Extent of Impact**	**No-Go Areas**
Damage to farmland and loss of grazing and or crops	Direct impacts: » Loss of grazing and or crops Indirect impacts: » Impact on future farming operations. » Impact on employment opportunities on the farm.	Local	N/A
Description of expected significance of impact Evidence from the other renewable energy projects indicates that the activities associated with			

the construction phase will result in the loss of farmland, including grazing and or crops depending on the location. These impacts impact on the livelihood of farmers. However, loss of land and crops can be addressed by minimising the disturbance footprint and compensation for losses.
Gaps in knowledge & recommendations for further study » Collection of information on existing farming operations and activities. **Recommendations with regards to general field surveys** » Site visit and interviews with local farmers and representatives from local farming associations etc.

4.4 OPERATIONAL PHASE SOCIAL IMPACTS

The following key social issues are of relevance to the operational phase:

Potential positive impacts
- Produce green hydrogen and ammonia for the South Africa economy.
- Creation of employment opportunities.
- Benefits to the affected landowners.

Potential negative impacts
- Visual impacts and associated impacts on sense of place.
- Noise and odour impacts.
- Health and safety impacts associated with accidents.

4.4.1 Produce green hydrogen and ammonia for the South African economy

The aim of the project is to produce commercially usable green hydrogen and ammonia that can be used as a fuel for transport in hydrogen fuel cells and or in different industrial uses. The ammonia will be primarily used for the production of ammonium nitrate (fertiliser) and manufacture of plastics, explosives, textiles, pesticides, and other chemicals. Ammonia can also be used as a stable 'carrier' of hydrogen, allowing hydrogen to be readily stored and transported. This will assist to reduce South Africa's carbon footprint.

Table 4.8: Produce green hydrogen and ammonia

Nature: Development of infrastructure to produce green hydrogen and ammonia			
Issue	**Nature of Impact**	**Extent of Impact**	**No-Go Areas**
Reduce South Africa's carbon footprint and move towards a more sustainable economy	Direct impacts: » Reduce carbon emissions » Reduce reliance on coal. » Produce green hydrogen and ammonia Indirect impacts: » Address climate change impacts	Local-International	N/A
Description of expected significance of impact South Africa is one of the world's top 10 greenhouse gas producers per capita. The project will create an opportunity to use renewable energy to produce green hydrogen and ammonia and in so doing assist to reduce South Africa's carbon footprint. The use of green hydrogen as a fuel source for transport will also create an opportunity to reduce emissions from vehicles.			
Gaps in knowledge & recommendations for further study			

» Collection and review of information on process. **Recommendations with regards to general field surveys** » N/A. Desktop review of project information.

4.4.2 Creation of employment, skills development, and business opportunities

The proposed development will create full time employment opportunities during the operational phase that will be available to the local community. The operational phase will also create business and procurement opportunities which will benefit local companies in the area. The project will also create an opportunity for South Africa to develop skills and expertise in the field of the use of renewable energy to produce green hydrogen and ammonia.

Table 4.9: Employment, skills development, and business creation opportunities

Nature: Creation of employment, skills development and business opportunities associated with the operational phase			
Issue	**Nature of Impact**	**Extent of Impact**	**No-Go Areas**
Creation of employment and business opportunities associated with the operational phase	Direct impacts: » Creation of employment opportunities » Creation of business, skills development, and procurement opportunities Indirect impacts: » Support for local economy. » Creation of training and skills development opportunities	Local-Regional	N/A
Description of expected significance of impact The direct employment opportunities associated with the operational phase of facility and associated skills development and training opportunities.			
Gaps in knowledge & recommendations for further study » Collection and review of information on process. **Recommendations with regards to general field surveys** » N/A. Collection and review of information on process.			

4.4.3 Generate income for affected landowners

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

Table 4.10: Benefits associated with income generated for the affected farmer(s)

Nature: The generation of additional income represents a significant benefit for the local affected farmer(s) and reduces the risks to their livelihoods posed by droughts and fluctuating market prices for livestock, crops, and farming inputs, such as feed, fuel, etc.			
Issue	**Nature of Impact**	**Extent of Impact**	**No-Go Areas**
Generation of additional income for affected landowners	Direct impacts: » Additional income to support farming Indirect impacts: » Opportunity to invest and expand farming operations and create more employment opportunities on the farm.	Local	N/A
Description of expected significance of impact Evidence from the other renewable energy projects indicates that the generation of additional income represents a significant benefit for the local affected farmer(s) and reduces the risks to their livelihoods posed by droughts and fluctuating market prices for sheep and farming inputs, such as feed, fuel, etc.			
Gaps in knowledge & recommendations for further study » Collection of information on existing farming operations and activities. **Recommendations with regards to general field surveys** » Site visit and interviews with local farmers and representatives from local farming associations etc.			

4.4.4 Visual impact and impact on sense of place

The proposed development has the potential to impact on the areas existing rural sense of place. Based on an initial assessment of the location the potential impact on the areas sense of place is likely to be limited. This is due to the existing Camden Power station and associated power lines that dominate the areas sense of place. This will be confirmed during the site visit undertaken during the assessment phase and the findings of the Visual Impact Assessment (VIA).

Table 4.11: Visual impact and impact on sense of place

Nature: Visual impact associated with the proposed facility and associated infrastructure and the potential impact on the areas rural sense of place.			
Issue	**Nature of Impact**	**Extent of Impact**	**No-Go Areas**
Impact on rural sense of place	Direct impacts: » Change in rural sense of place Indirect impacts: » Potential impact on property values and hospitality operations.	Local	N/A
Description of expected significance of impact The proposed project does have the potential to impact on an areas sense of place. In some instances, this can impact on existing or proposed tourist facilities and also on property values. In other cases, local landowners have indicated that the potential visual impacts are not regarded as an issue. However, as indicated above, the impact is likely to be limited			
Gaps in knowledge & recommendations for further study			

» Collection of information on location of existing farming and hospitality operations and activities. **Recommendations with regards to general field surveys** » Site visit and interviews with local farmers and representatives from local municipality and farming and hospitality associations etc.

4.4.5 Potential impacts associated with noise and odours

The operational phase has the potential to generate noise and create odours that may impact on adjacent landowners. This would impact on quality of life, may have health implications, and may also impact on property values. It is assumed that a noise, air quality, health risk assessment and hazardous installation assessment are being undertaken as part of the EIA process. The results of these studies will be reviewed.

Table 4.12: Potential impacts associated with noise and odours

Nature: Potential generation of noise and odours associated with the operation of the facility and impact on adjacent landowners and property values.			
Issue	**Nature of Impact**	**Extent of Impact**	**No-Go Areas**
Impact on wellbeing and health of adjacent landowners and potential impact on property values.	Direct impacts: » Health and quality of life impacts » Change in rural sense of place and impact on property values Indirect impacts: » Potential impact on property values and hospitality operations.	Local	N/A
Description of expected significance of impact The operational phase has the potential to generate noise and create odours that may impact on adjacent landowners. This would impact on quality of life, may have health implications, and may also impact on property values. The significance will be informed by other specialist studies, include noise and air quality assessments.			
Gaps in knowledge & recommendations for further study » Information from key specialist studies to be undertaken as part of the Assessment Phase. **Recommendations with regards to general field surveys** » Site visit and interviews with adjacent land owners. » Review of key specialist studies.			

4.4.6 Potential health and safety risks associated with plant incidents

Incidents during the operational phase have the potential to release ammonia gas and other potentially harmful substances that may pose a health risk to adjacent landowners. It is assumed that health risk assessment and hazardous installation assessment are being undertaken as part of the EIA process. The results of these studies will be reviewed.

Table 4.12: Impacts associated with plant related incidents

Nature: Potential incidents that result in release of harmful substances that may impact on the health of adjacent landowners.			
Issue	**Nature of Impact**	**Extent of Impact**	**No-Go Areas**
Impact on health of adjacent landowners	Direct impacts: » Health and quality of life impacts Indirect impacts: » Potential impact on property values and hospitality operations.	Local	N/A
Description of expected significance of impact The operational phase has the potential to have incidents that may release substances that may impact on the health of adjacent landowners. The significance will be informed by other specialist studies.			
Gaps in knowledge & recommendations for further study » Information from key specialist studies to be undertaken as part of the Assessment Phase. **Recommendations with regards to general field surveys** » Site visit and interviews with adjacent land owners. » Review of key specialist studies.			

4.5 CUMULATIVE IMPACT ON SENSE OF PLACE

The potential cumulative impacts on the areas sense of place will be largely linked to potential visual impacts. As indicated above, the potential impact of the proposed facility and associated infrastructure on the areas sense of place is likely to be limited. This is due to impact of the Camden Power Station and associated power lines on the areas rural sense of place. The cumulative impacts are also likely to be low with mitigation. This will be confirmed during the assessment phase.

Table 4.13: Cumulative impacts on sense of place and the landscape

Nature: Visual impacts associated with the establishment of more than one REF and the potential impact on the area's rural sense of place and character of the landscape.			
Issue	**Nature of Impact**	**Extent of Impact**	**No-Go Areas**
Cumulative impact on rural sense of place	Direct impacts: » Change in rural sense of place Indirect impacts: » Potential impact on property values and hospitality operations.	Local-Regional	N/A
Description of expected significance of impact The establishment of renewable energy projects do have the potential to have a cumulative impact on an areas sense of place. The significance will depend on the location and number of REFs proposed. This will be informed by the findings from the site visit and review of the VIA.			
Gaps in knowledge & recommendations for further study » Collection of information on location of existing farming and hospitality operations and activities. **Recommendations with regards to general field surveys**			

» Site visit and interviews with local farmers and representatives from local municipality and farming and hospitality associations etc.

4.6 ASSESSMENT OF NO-DEVELOPMENT OPTION

The aim of the project is to produce commercially usable green hydrogen and ammonia that can be used as a fuel for transport in hydrogen fuel cells and or in different industrial uses. The ammonia will be primarily used for the production of ammonium nitrate (fertiliser) and manufacture of plastics, explosives, textiles, pesticides, and other chemicals. Ammonia can also be used as a stable 'carrier' of hydrogen, allowing hydrogen to be readily stored and transported. This will assist to reduce South Africa's carbon footprint.

South Africa relies on coal-powered energy to meet more than 90% of its energy needs. South Africa is therefore one of the highest per capita producers of carbon emissions in the world and Eskom, as an energy utility, has been identified as the world's second largest producer carbon emissions.

The No-Development option would represent a lost opportunity for South Africa to produce green hydrogen and ammonia and reduce its carbon footprint. This would represent a significant negative social cost.

Table 4.18: Assessment of no-development option

Nature: The no-development option would result in the lost opportunity for South Africa to a lost opportunity for South Africa to produce green hydrogen and ammonia and reduce its carbon footprint.			
Issue	**Nature of Impact**	**Extent of Impact**	**No-Go Areas**
Lost opportunity to produce green hydrogen and ammonia and reduce its carbon footprint.	Direct impacts: » Reduce carbon emissions » Reduce reliance on coal. » Produce green hydrogen and ammonia Indirect impacts: » Address climate change impacts	Local-Nation	N/A
Description of expected significance of impact South Africa is one of the world's top 10 greenhouse gas producers per capita. The project will create an opportunity to use renewable energy to produce green hydrogen and ammonia and in so doing assist to reduce South Africa's carbon footprint. The use of green hydrogen as a fuel source for transport will also create an opportunity to reduce emissions from vehicles. These benefits would be foregone if the proposed project is not developed.			
Gaps in knowledge & recommendations for further study » Collection and review of information on the process. **Recommendations with regards to general field surveys** » N/A. Desktop review of process.			

4.7 SUMMARY OF KEY SOCIAL ISSUES

4.7.1 Introduction

Based on the findings of the Social Scoping Study the key social issues associated with the proposed development will be linked to the construction and operational phase. These issues are summarised below. There will also be social impacts associated with cumulative impacts and the no development option. These impacts are summarised below and will be assessed during the Assessment Phase.

4.7.2 Construction phase

The key social issues associated with the construction phase include:

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

Potential negative impacts
- 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.
- Nuisance impacts, such as noise, dust, and safety, associated with construction related activities and vehicles.
- Impact on productive farmland.

4.7.3 Operation phase

The following key social issues are of relevance to the operational phase:

Potential positive impacts
- Produce green hydrogen and ammonia for the South Africa economy.
- Creation of employment opportunities.
- Benefits to the affected landowners.

Potential negative impacts
- Visual impacts and associated impacts on sense of place.
- Noise and odour impacts.
- Health and safety impacts associated with accidents.

4.7.4 Cumulative impacts

The cumulative impacts are associated with the potential impact on the areas sense of place.

4.7.5 Impact associated with no-development option

The No-Development option would represent a lost opportunity for South Africa to produce green hydrogen and ammonia and reduce its carbon footprint. This would represent a significant negative social cost.

4.8 APPROACH TO SOCIAL ASSESSMENT STUDY

The approach to undertaking the SIA study is based on the Western Cape Department of Environmental Affairs and Development Planning Guidelines for Social Impact Assessment (February 2007). These guidelines are based on international best practice. The key activities in the SIA process embodied in the guidelines include:

- Describing and obtaining an understanding of the proposed intervention (type, scale, and location), the settlements, and communities likely to be affected by the proposed project.
- Collecting baseline data on the current social and economic environment.
- Identifying the key potential social issues associated with the proposed project (construction, operational, and decommissioning phase). This requires a site visit to the area and consultation with affected individuals and communities.
- Assessing and documenting the significance of social impacts associated with the proposed development. Annexure B summarises the assessment methodology that will be used to assign significance ratings during the assessment process.
- Identifying alternatives and enhancement and mitigation measures.

The site visit will be undertaken during the Assessment Phase of the SIA. The site visit will include interviews with key stakeholders and interested and affected parties.

ANNEXURE A

REFERENCES

- The National Energy Act (2008).
- The White Paper on the Energy Policy of the Republic of South Africa (December 1998).
- The White Paper on Renewable Energy (November 2003).
- Integrated Resource Plan (IRP) for South Africa (2010-2030).
- The National Development Plan (2011).
- New Growth Framework.
- National Infrastructure Plan.
- Mpumalanga Spatial Development Framework (2019).
- Msukaligwa Municipality Integrated Development Plan (2019-2020).
- Msukaligwa Spatial Development Framework (2019).

ANNEXURE B: ASSESSMENT METHODOLOGY

METHODOLOGY FOR THE ASSESSMENT OF POTENTIAL IMPACTS

Assessment of Impacts and Mitigation

The assessment of impacts and mitigation evaluates the likely extent and significance of the potential impacts on identified receptors and resources against defined assessment criteria, to develop and describe measures that will be taken to avoid, minimise or compensate for any adverse environmental impacts, to enhance positive impacts, and to report the significance of residual impacts that occur following mitigation.

The key objectives of the risk assessment methodology are to identify any additional potential environmental issues and associated impacts likely to arise from the proposed project, and to propose a significance ranking. Issues / aspects will be reviewed and ranked against a series of significance criteria to identify and record interactions between activities and aspects, and resources and receptors to provide a detailed discussion of impacts. The assessment considers direct[6], indirect[7], secondary[8] as well as cumulative[9] impacts.

A standard risk assessment methodology is used for the ranking of the identified environmental impacts pre-and post-mitigation (i.e. residual impact). The significance of environmental aspects is determined and ranked by considering the criteria[10] presented in **Table 0-1**.

Table 0-1: Impact Assessment Criteria and Scoring System

CRITERIA	SCORE 1	SCORE 2	SCORE 3	SCORE 4	SCORE 5
Impact Magnitude (M) The degree of alteration of the affected environmental receptor	Very low: No impact on processes	Low: Slight impact on processes	Medium: Processes continue but in a modified way	High: Processes temporarily cease	Very High: Permanent cessation of processes
Impact Extent (E) The geographical extent of the impact on a given environmental receptor	Site: Site only	Local: Inside activity area	Regional: Outside activity area	National: National scope or level	International: Across borders or boundaries
Impact Reversibility (R) The ability of the environmental receptor to rehabilitate or restore after the activity has caused environmental change	Reversible: Recovery without rehabilitation		Recoverable: Recovery with rehabilitation		Irreversible: Not possible despite action
Impact Duration (D) The length of permanence of the impact on the environmental receptor	Immediate: On impact	Short term: 0-5 years	Medium term: 5-15 years	Long term: Project life	Permanent: Indefinite

[6] Impacts that arise directly from activities that form an integral part of the Project.

[7] Impacts that arise indirectly from activities not explicitly forming part of the Project.

[8] Secondary or induced impacts caused by a change in the Project environment.

[9] Impacts are those impacts arising from the combination of multiple impacts from existing projects, the Project and/or future projects.

[10] The definitions given are for guidance only, and not all the definitions will apply to all the environmental receptors and resources being assessed. Impact significance was assessed with and without mitigation measures in place.

CRITERIA	SCORE 1	SCORE 2	SCORE 3	SCORE 4	SCORE 5
Probability of Occurrence (P) The likelihood of an impact occurring in the absence of pertinent environmental management measures or mitigation	Improbable	Low Probability	Probable	Highly Probability	Definite
Significance (S) is determined by combining the above criteria in the following formula:	$[S = (E + D + R + M) \times P]$ $Significance = (Extent + Duration + Reversibility + Magnitude) \times Probability$				

IMPACT SIGNIFICANCE RATING			
Total Score	0 – 30	31 to 60	61 – 100
Environmental Significance Rating (Negative (-))	**Low (-)**	**Moderate (-)**	**High (-)**
Environmental Significance Rating (Positive (+))	**Low (+)**	**Moderate (+)**	**High (+)**

ANNEXURE C: CV

Tony Barbour
ENVIRONMENTAL CONSULTING AND RESEARCH

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(E-Mail) tbarbour@telkomsa.net

Tony Barbour's has 26 years' experience in the field of environmental consulting and management. His experience 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 infrastructure projects, dams, pipelines, and roads. All of the SIAs include interacting with and liaising with affected communities. In addition, he is the author of the Guidelines for undertaking SIA's as part of the EIA process commissioned by the Western Cape Provincial Environmental Authorities in 2007. These guidelines have been used throughout South Africa.

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

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

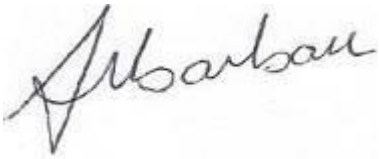
ANNEXURE D: DECLARATION OF INDEPENDENCE

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):

26 October 2021

Date: