




# SOCIO-ECONOMIC PRELIMINARY ASSESSMENT

1 JUNE 2023

NYALA SOLAR ENERGY FACILITY 3



## DOCUMENT INFORMATION

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I, Louis Calitz, declare that:

- 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.
- I realise that a false declaration is an offence in terms of Regulation 71 and is punishable in terms of section 24F of the Act.

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## TABLE OF ACRONYMS

DM	District Municipality
EA	Economically Active
EIA	Environmental Impact Assessment
EMPr	Environmental Management Programmes
GDP	Gross Domestic Product
GN	Government Notice
GVA	Gross Value Added
ha	Hectare
IDP	Integrated Development Plan
IPAP	Industrial Policy Action Plan
km	Kilometre
LM	Local Municipality
LP	Limpopo Province
NA	Not Applicable
NEA	Not Economically Active
NEMA	National Environmental Management Act
NDP	National Development Plan
NGPF	New Growth Path Framework
PGDP	Provincial Growth and Development Plan
PGDF	Provincial Spatial Development Framework
PGDS	Provincial Growth and Development Strategy
PV	Photovoltaic
RE	Renewable Energy
SAM	Social Accounting Matrix
SAPS	South African Police Service
SEIA	Socio-Economic Impact Assessment
SDF	Spatial Development Framework
TLM	Thabazimbi Local Municipality
WAP	Working-age Population
WDM	Waterberg District Municipality



## TABLE OF CONTENTS

DOCUMENT INFORMATION .....	2
SPECIALISTS' DETAILS .....	3
DECLARATION OF INDEPENDENCE .....	5
TABLE OF ACRONYMS .....	8
TABLE OF CONTENTS .....	9
LIST OF FIGURES .....	11
LIST OF TABLES .....	11
LIST OF MAPS .....	11
1 INTRODUCTION .....	12
1.1 SCOPE OF STUDY .....	12
1.2 PROJECT HISTORY, CONTENT, AND LOCATION .....	13
1.3 UNDERSTANDING ECONOMIC IMPACTS .....	16
1.4 METHODOLOGY .....	16
1.5 DATA GATHERING AND CONSULTATION PROCESS .....	18
1.6 ASSUMPTIONS, LIMITATIONS AND GAPS IN KNOWLEDGE .....	19
1.7 REPORT OUTLINE .....	19
2 POLICY REVIEW .....	21
2.1 POLICY ANALYSIS .....	21
2.2 CONCLUDING REMARKS .....	26
3 ZONE OF INFLUENCE .....	28
3.1 LAND USE PROFILE .....	29
3.2 RESOURCE AND LAND CAPABILITY .....	33
3.3 ACCESS TO INFRASTRUCTURE .....	35
3.4 CONCLUDING REMARKS .....	36
4 BASELINE INFORMATION .....	37
4.1 STUDY AREA'S COMPOSITION AND LOCATIONAL FACTORS .....	37

4.2	SENSE OF PLACE, HISTORY, AND CULTURAL ASPECTS.....	39
4.3	DEMOGRAPHICS, HEALTH, AND CRIME PROFILES.....	42
4.4	INCOME AND EDUCATION LEVELS .....	43
4.5	LABOUR FORCE AND EMPLOYMENT STRUCTURE .....	46
4.6	ECONOMIC PROFILE .....	47
4.7	ACCESS TO BASIC SERVICES .....	48
4.8	ENERGY ECONOMY .....	49
4.9	CONCLUDING REMARKS .....	52
5	NEED AND DESIRABILITY ASSESSMENT .....	54
6	NYALA SOLAR ENERGY FACILITY 3 AND ASSOCIATED INFRASTRUCTURE PRELIMINARY SOCIO-ECONOMIC IMPACT EVALUATION .....	56
6.1	STIMULATION OF SOCIO-ECONOMIC IMPACTS DURING CONSTRUCTION .....	56
6.2	STIMULATION OF SOCIO-ECONOMIC IMPACTS DURING OPERATION .....	58
6.3	CONCLUDING REMARKS .....	60
7	NEXT STEPS: EIA PHASE .....	61
8	CONCLUSION .....	63
9	REFERENCES.....	1

## LIST OF FIGURES

Figure 1-1: Methodology .....	17
Figure 3-1: Proposed Location of Nyala Solar Energy Facility 1 .....	<b>Error! Bookmark not defined.</b>
Figure 3-2: Urban Residential Areas in Direct Proximity to Proposed Development..	<b>Error! Bookmark not defined.</b>
Figure 4-1: Population Demographics .....	<b>Error! Bookmark not defined.</b>
Figure 4-2: Thabazimbi LM: Serious Crime Levels .....	<b>Error! Bookmark not defined.</b>
Figure 4-3: Education Levels in Rustenburg LM .....	<b>Error! Bookmark not defined.</b>
Figure 4-4: Rustenburg LM Labour Force Profile.....	<b>Error! Bookmark not defined.</b>
Figure 4-5: Access to Basic Services .....	<b>Error! Bookmark not defined.</b>
Figure 7-1: Methodology .....	61

## LIST OF TABLES

Table 2-1: Policy Summary .....	22
Table 3-1: Towns in Proximity to Proposed Site.....	28
Table 3-2: Land Use in Surrounding area .....	31
Table 4-1: Primary Study Area Household Income (2011) .....	44
Table 4-2: Local Municipality Contributions to Waterberg DM and Limpopo Province (2021).....	47
Table 4-3: Sector Contributions to the Thabazimbi LM Economy.....	47
Table 5-1: Need and Desirability Assessment .....	54
Table 7-1: Next Steps (EIA Phase).....	61

## LIST OF MAPS

Map 1-1: Nyala Solar Facilities Site Locations .....	14
Map 1-2: Nyala Solar Energy Facility 3 Site location .....	15
Map 3-1: Overview of Farm Portions in Zone of Influence .....	29
Map 3-2: Land use Map of the Proposed Project Site and Surrounding Areas.....	30
Map 3-3: Land Capabilities of the Proposed Project Site and its Surroundings.....	34
Map 3-4: Existing Infrastructure Surrounding Proposed Development Site.....	35
Map 4-1: Representation of Study Area.....	38
Map 4-2: Tourist Sites within Proximity to Proposed Site.....	40
Map 4-3: Social Facilities within Proximity to Proposed Site. ....	41

1 INTRODUCTION

This document was prepared by Urban-Econ Development Economists, at the request of ABO Wind renewable energies. The purpose of this document is to conduct a Socio-Economic Impact Assessment (SEIA) as part of the Environmental Impact Assessment (EIA) process managed by PRAXOS. The study focuses on the Nyala Solar Energy Facility 3 and associated infrastructure in Thabazimbi LM, situated in the Limpopo Province. It serves as a deliverable for the scoping phase, providing a foundation assessment for the subsequent Environmental Impact Assessment (EIA) phase.

The main objective of this document is to determine the current socio-economic baseline characteristics of the preliminary delineated study area and identify the potential impacts of the proposed project on the surrounding economic activities. The entire process undertaken is in terms of the National Environmental Management Act (NEMA), as amended.

1.1 Scope of Study

The socio-economic assessment aims to determine the potential socio-economic implications of the proposed Nyala Solar Energy Facility 3 and to compare its possible effects with the “no go” alternative. The "no go" alternative assumes that the Nyala Solar Energy Facility 3 and its supporting infrastructure will not be built. This implies that the "no go" alternative represents the current state of the environment, including the current socio-economic condition of the study area.

The socio-economic impact assessment contains information that, when combined with the input of other experts, allows for a sustainable development perspective on the project. It also aids in the identification of “the most practicable environmental option” that provides “the most benefit and causes the least damage to the environment, at a cost acceptable to society” in the long and short term. The goal of the socio-economic impact assessment, in accordance with the Environmental Impact Assessment Regulations of 2014 (Government Notice [GN] R982), is to guarantee that the project, if approved, provides for justifiable social and economic development results.

Based on an understanding of the project’s objectives, the purpose of this socio-economic impact assessment is as follows:

- Undertake a **policy review** and assess the alignment of the proposed project with the national, provincial, and local socio-economic policies, with a focus on the compatibility of the project with the spatial planning, development objectives, and land use management plans of the respective authorities.
- Create a **socio-economic profile** of the potentially affected and benefiting environment, which would then represent a description of the existing impacts exerted on the zones of influence and could be used to assess the changes that might ensue from the proposed project.
- **Assess the sensitivities** of the identified sensitive receptors relative to the proposed development and analyse potential positive and negative social and economic effects of the proposed development on the local and regional economic activities.
- **Evaluate** potential positive and negative socioeconomic effects that may ensue as a result of the change in the status quo of the affected and benefiting communities and economies.
- Develop a **mitigation plan** by proposing mitigation measures for negative effects and enhancement measures for positive impacts.

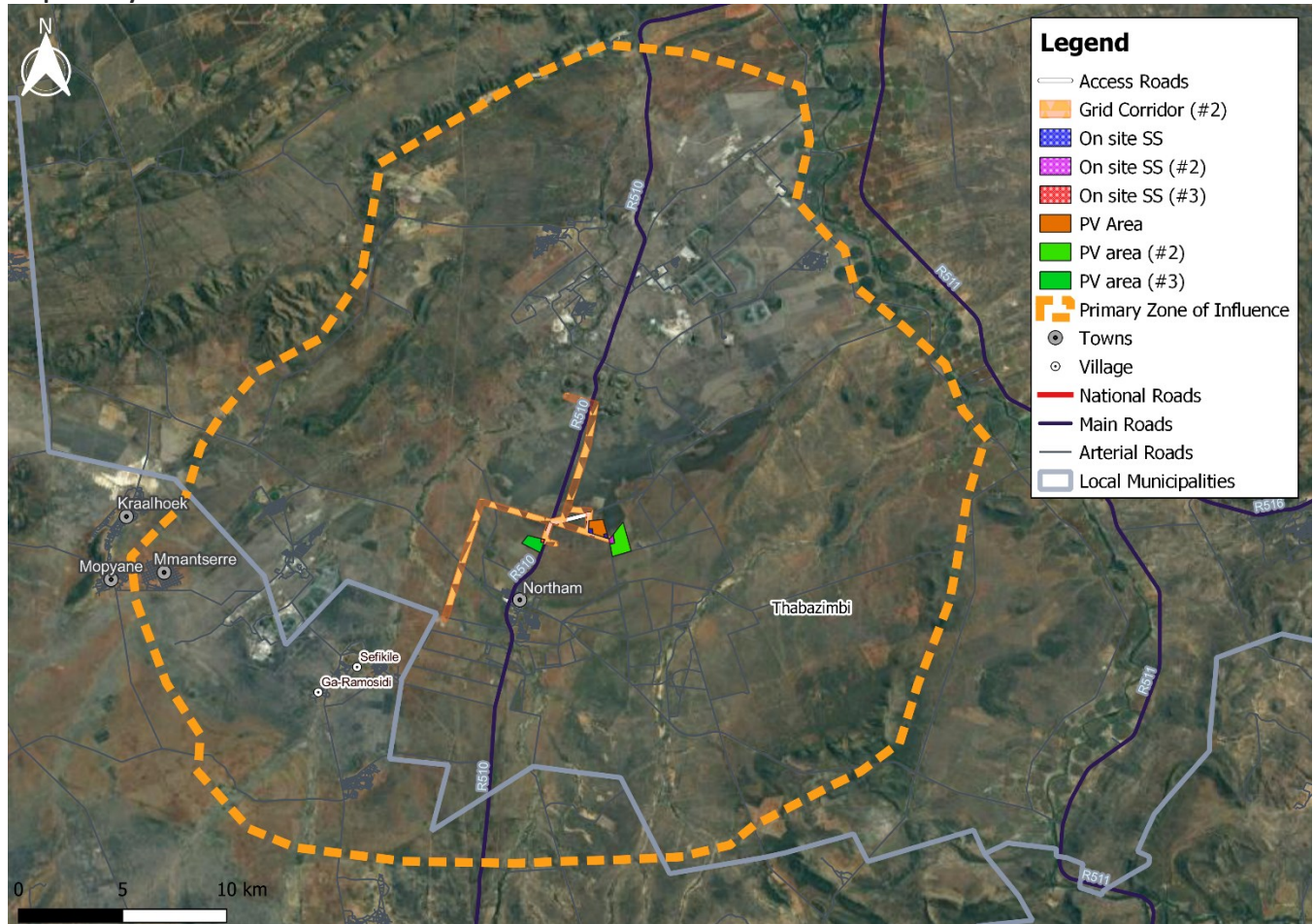
## 1.2 Project History, Content, and Location

This subsection aims to provide an overview of the proposed Nyala Solar Energy Facility 1 as well as describe its location. When conducting a socio-economic impact study, it is crucial to be aware of the project plan and intended location because this will help determine what potential impacts the proposed project might have and who these effects might potentially affect.

Solar energy facilities are specialised systems that require dedicated inverters, electrical distribution and transmission wiring, and various components such as solar panels, arrays, collectors, piping, footings, supports, and other infrastructure necessary for operation and maintenance (Law Insider, 2023). Given the ongoing energy crisis in the country, it is crucial to explore and implement renewable energy sources, such as solar energy facilities, more extensively.

Nyala Solar Facility 3 forms part of the development of 3 Nyala solar facilities set to be developed within the jurisdiction of the Thabazimbi Local Municipality within the Waterberg District in Map 1-1 below.

**Map 1-1: Nyala Solar Facilities Site Locations**

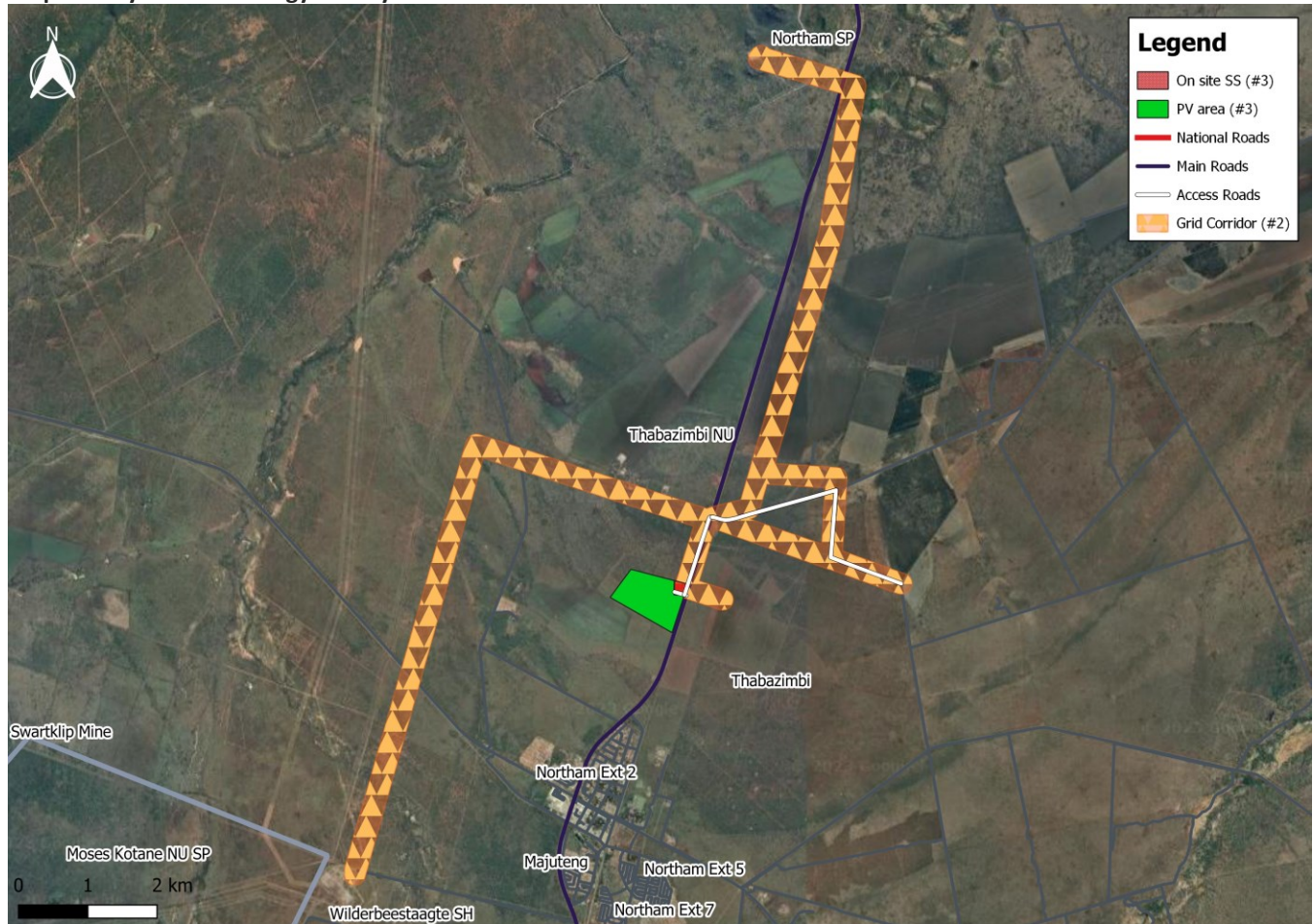


Source: QGIS, 2022 (adapted by Urban-Econ)

Nyala Solar Facility 3, specifically, is proposed to be located on farm Leeuwkopje No. 415 situated 1.5 km north of Northam within the Limpopo Province as shown in Map 1-2 below.



**Map 1-2: Nyala Solar Energy Facility 3 Site location**



The proposed PV facility is envisioned as a solar energy generation facility with a capacity of up to 55 MWac (megawatts alternating current). It will comprise various components, including:

- Solar Field/Solar Arrays
- Internal access roads
- Primary access road and secondary construction road
- Underground placement of internal electrical reticulation, encompassing low- and medium-voltage lines whenever feasible
- On-site substation hub and associated infrastructure (such as substation, transformation infrastructure, collector infrastructure, step-up infrastructure, battery energy storage system, etc.), along with auxiliary buildings (operation & maintenance buildings, admin buildings, workshops, gatehouse, security building, offices, visitor centre, warehouses, etc.) occupying an approximate footprint of up to 5 hectares. Two alternative positions are currently being assessed.
- Perimeter fencing.

It is worth mentioning that the project description acknowledges the availability of technical alternatives, and the application for grid connection will follow a separate process, subject to assessment.

In terms of operations, the proposed facility will require periodic servicing. Water supply will preferably be sourced from the local municipality through a Service Level Agreement established between the Municipality and the facility. However, alternative options for water supply will be explored if municipal sourcing is not feasible. Additionally, the facility's electrical requirements will be nominal and self-supplied.

### 1.3 Understanding Economic Impacts

The purpose of this subsection is to provide an overview of economic models that will be used in this report, which include economic models designed for the South African economy and the North West province, to assess the economic implications of the proposed project. These economic models shall be compiled based on the Social Accounting Matrices (SAM) that illustrate the linkages between various economic agents. The models can be used to identify industry-specific multipliers on output, capital formation, Gross Domestic Product (GDP), employment, and income. These multipliers can also be split down into the numerous effects that can be noticed as a result of changing events introduced into the economy, such as a capital investment or an operating expense.

Three types of effects are distinguished as follows:

- **Direct** – these represent the original purchases for the project's establishment or operations.
- **Indirect** – these are effects that spill over the industries that supply goods and services required for the implementation of the project or its operation, whether directly to the contractor or operator or through their suppliers.
- **Induced** – these are the effects that are stimulated by the change in income levels of households that would directly or indirectly be affected by the project and businesses.

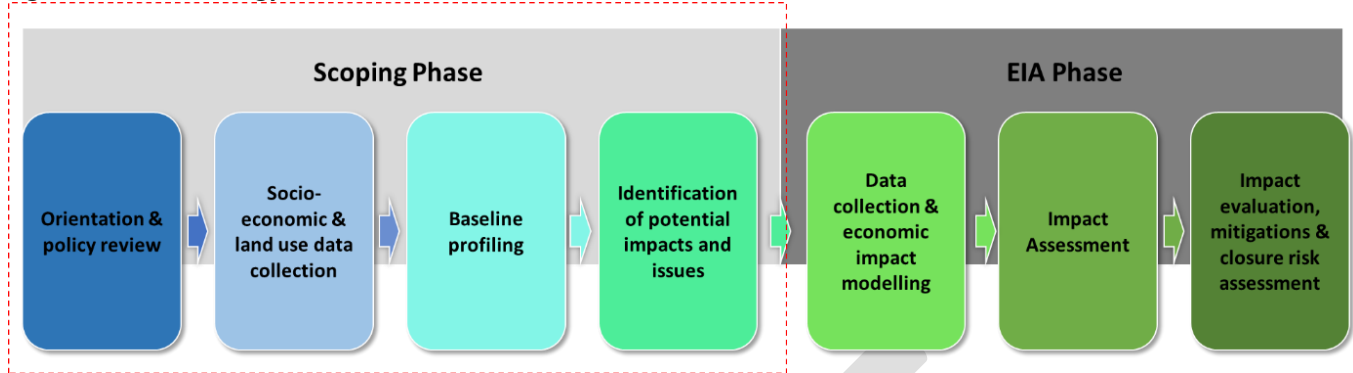
Data for the assessment was sourced from the project specialist and client and are assumed to reflect the capital and operational expenditure on the project broken down in terms of economic sectors or project cost items.

### 1.4 Methodology

This subsection aims to highlight the methodology which will be used to compile this report. The purpose of a research methodology is to explain the steps which will be taken when compiling the report as well as describe the activities which will be taken during each step. The methodology employed in conducting the study comprised the steps illustrated in Figure 1-1.



Figure 1-1: Methodology



Source: Urban Econ

The following paragraphs briefly describe each step in the scoping process:

**Step 1: Orientation and Policy Review:** The objective of this step was to gather as much background information as possible regarding the research field and the proposed project. The extent of visual, noise and other anticipated environmental, social, and economic impacts was defined by a review of the project location's Google imagery and discussion with other specialists, which aided in identifying the potential zones of influence associated with the project and proposed site. Relevant government policies and other strategic papers were also acquired and examined, with the project's ramifications noted.

**Step 2: Socio-economic and land use data collection:** The objective of this step was to gather secondary data, as well as to define the socio-economic context in which the proposed project will be implemented and applied to the location. This data was used to understand the primary socio-economic drivers in each zone of impact, the economy's reliance on specific activities, prominent land uses, and the community's present living standards.

**Step 3: Baseline profiling:** The objective of this step was to investigate the project's baseline information. To construct the socio-economic baseline profile, the researchers focused on the study area composition, land use analysis, community profiling, demographic profile and income level, economy and labour force, access to services and infrastructure, as well as existing and projected developments in the area.

**Step 4: Identification of potential impacts and issues:** The objective of this method was to identify any concerns associated with the project from a land use and socio-economic standpoint. It presents any I&AP concerns that may arise during the project's implementation and identifies potential social and economic impacts that may arise as a result of the project, which will be investigated in greater depth during the EIA phase.

This socio-economic impact assessment was undertaken in accordance with the EIA Regulations, 2014 (Government Notice (GN) R982). The details of the regulation are outlined in further detail in Annexure A of this report.

## 1.5 Data Gathering and Consultation Process

The purpose of this subsection is to provide an overview of the research done when compiling this report. The assessment made use of both secondary and primary data. The sources used are listed below.

### a) Secondary Data Gathering

Secondary data was sourced from the following databases and documents:

- Previously completed studies
- Census 2011
- Quarterly Labour Force Survey
- Quantec database
- National:
  - Industrial Policy Action Plan 2018/19 — 2020/21
  - Integrated Resource Plan (IRP) for Electricity 2010-2030: Update Report 2019
  - National Energy Act (No. 34 of 2008)
  - National Environmental Management Act (No. 107 of 1998)
  - National Development Plan (NDP) 2030 (2012)
  - New Growth Path (2010)
  - White Paper on Renewable Energy (2003)
- Provincial policies:
  - Limpopo Strategic Plan 2020-2025
  - Limpopo Development Plan 2015-2019
- District and Local policies:
  - Waterberg District Municipality (DM) Integrated Development Plan (IDP) 2023/2024 draft
  - Waterberg DM IDP 2022/2023
  - Waterberg DM Local Economic Development (LED) Strategy 2014
  - Thabazimbi Local Municipality (LM) IDP 2023/2024 Draft
  - Thabazimbi LM IDP 2022/2023

### b) Primary Data Gathering

A site visit was conducted by Urban-Econ on the 3<sup>rd</sup> of May 2023 to get an understanding of the locational factors of the proposed development; however, none of the local residents were consulted.

## 1.6 Assumptions, Limitations and Gaps in Knowledge

This subsection highlights the key assumptions that form the basis of the assessment and discussions of the study. These assumptions are in line with known gaps in the knowledge as well as limitations present within the study and are as follows:

- Project-related information supplied by the environmental practitioner and the client for the analysis is assumed to be reasonably accurate.
- The secondary data sources used to compile the socio-economic baseline (demographics, dynamics of the economy), although not exhaustive, can be viewed as being indicative of broad trends within the study area.
- The identification of possible impacts was based on the project team's experience with similar studies in the past and the existing desktop-level knowledge of the socio-economic environment.
- Secondary data that will be used are sourced from Stats SA and Quantec, which may include data from the 2011 Census that may not have been updated since.

If some of these assumptions and limitations are found to be potentially hampering the process, these issues will be addressed to ensure an accurate and reliable socio-economic impact assessment. Any further issues or red flags will also be identified in the policy review in the next chapter.

## 1.7 Report Outline

The report consists of the following chapters, which can be disaggregated as follows:

- **Chapter 1: Introduction** - This chapter provides an introduction that contains the background and purpose of the study.
- **Chapter 2: Policy Review** – This chapter reviews all national, provincial, and regional policy documents and aims to ascertain whether the proposed developments align with the objectives of these policies.
- **Chapter 3: Profile of Zone of Influence** - This chapter provides a profile of the zone of influence and reviews the numerous dynamics of the proposed project location.
- **Chapter 4: Baseline Information** - This chapter provides a baseline analysis which includes a status quo analysis of the study area's local economic development climate as well as the study area's composition and site-related information.
- **Chapter 5: Need and desirability assessment** – This chapter depicts aspects that support the need for and desirability of the Nyala Solar Energy Facility 3 development, as well as red flags that should be considered in the planned location.

- **Chapter 6: Preliminary Impact Evaluation** – This chapter presents the study's high-level basic socio-economic impact assessment, which includes impacts that are presumptively expected to occur during Nyala Solar Energy Facility 3's construction and operation. These impacts will be studied further in the EIA phase.
- **Chapter 7: Next Steps: EIA phase** - This chapter highlights the purpose of the EIA phase and details the next steps which will be taken during the EIA phase.
- **Chapter 8: Conclusion** – This chapter summarises and consolidates the key findings of the study, as well as relevant concluding remarks and recommendations.
- **Annexure A: Checklist** – Annexure A provides a checklist as per the EIA Regulations, 2014 (Government Notice (GN) R982) to ensure that the assessment has been undertaken to meet the requirements.

## 2 POLICY REVIEW

policy review plays an integral role in the early stages of a development. The review establishes whether the development is aligned with the goals and aspirations of the developmental policies of a country. This chapter provides a policy review to highlight issues that could jeopardise the development of the Nyala Solar Energy Facility 3 in accordance with the relevant policies.

The following policies and strategic documents were identified as applying to the study areas:

- National:
  - Industrial Policy Action Plan 2018/19 – 2020/21
  - Integrated Resource Plan (IRP) for Electricity 2010-2030: Update Report 2019
  - National Development Plan 2030 (2012)
  - National Energy Act (No. 34 of 2008)
  - New Growth Path (2010)
  - White Paper on Renewable Energy (2003)
- Provincial:
  - Limpopo Strategic Plan 2020-2025
  - Limpopo Development Plan 2015-2019
- Local:
  - Waterberg District Municipality (DM) Integrated Development Plan (IDP) 2023/2024 Draft
  - Waterberg DM IDP 2022/2023
  - Waterberg DM Local Economic Development (LED) Strategy 2014
  - Thabazimbi Local Municipality (LM) IDP 2023/2024 Draft
  - Thabazimbi LM IDP 2022/2023

### 2.1 Policy Analysis

A summary of each policy is provided in Table 2-1, indicating the objectives of each policy as well as objectives that align with the ABO Nyala Solar Energy Facility 3.

**Table 2-1: Policy Summary**

Policy	Key Policy Objectives
<b>NATIONAL POLICIES</b>	
<b>Industrial Policy Action Plan 2018/19 – 2020/21 (IPAP2)</b>	<p>IPAP2 sets itself the objective of enhancing the productive capabilities of the economy. IPAP aims to increase the economy's production level while producing more complex and high-value-added products with greater efficiency. South Africa's historical dependence on fossil fuels for energy generation has resulted in the government pledging to reduce the country's greenhouse gas emissions over the coming decades. IPAP2 envisions achieving these objectives through:</p> <ul style="list-style-type: none"> <li>✓ Infrastructure-driven industrialisation aimed at sustaining and building public and economic infrastructure</li> <li>✓ Resource-driven industrialisation enables the leveraging of the green industries</li> <li>• Stronger alignment of industrial policies and programmes with investment and export-promotion programmes focused on increasing aggregate domestic demand</li> <li>• A strong commitment to supporting emerging black industrial entrepreneurs</li> <li>• Promoting more competitive exports</li> <li>• Strengthening the localisation of public procurement</li> <li>• Minimising regulatory and red tape measures</li> <li>• Meeting the challenges of technological change</li> </ul> <p>The proposed development aligns with the IPAP2 through its plans to develop infrastructure within the green economy. (Department of Trade and Industry, 2018)</p>
<b>Integrated Resource Plan (IRP) for Electricity (2010 – 2030)</b>	<p>The IRP provides for the disaggregation of renewable energy technologies to differentiate and display solar PV, concentrated solar power, and wind options. A review of the IRP shows that the accelerated roll-out of renewable energy (RE) technologies must be allowed and promoted to derive the benefits of the localisation of these RE technologies. Moreover, it emphasises the establishment of a solar PV programme.</p> <p>The following policy considerations assisted in arriving at this version of the IRP:</p> <ul style="list-style-type: none"> <li>✓ The installation of RE technologies brought forward to accelerate a local industry</li> <li>• To provide for the uncertainties associated with the cost of renewables and fuels, a nuclear fleet was included</li> <li>• The emissions constraint of 275 million tons of carbon dioxide per year after 2024 was maintained</li> <li>• Energy efficiency demand-side management measures were maintained</li> </ul> <p>The proposed development is somewhat in alignment with the IRP for electricity strategy through its role in accelerating renewable energy in South Africa. (Department of Mineral Resources and Energy, 2011)</p>
<b>National Environmental Management Act (No. 107 of 1998) (NEMA)</b>	<p>NEMA is a legal framework to implement Section 24 of the Constitution of the Republic of South Africa. It is intended to promote cooperative governance, safeguard public health and the environment and guarantee the protection of human rights while acknowledging the need for economic development. The aim is to:</p> <ul style="list-style-type: none"> <li>• Prevent pollution and ecological degradation</li> <li>✓ Ensure sustainable development by providing for quality measures, standards, and management</li> </ul> <p>The proposed Nyala Solar Energy Facility 3 is in alignment with NEMA as it encourages renewable energy and the improvement of agriculture through the development of sustainable ecosystems. (Republic of South Africa, 2022)</p>

**National Development Plan 2030  
(NDP, 2012)**

The NDP aims to address South Africa's developmental challenges of poverty and inequality by 2030. Key aspects deemed necessary to enhance social cohesion, reduce poverty and raise living standards include:

- ✓ Creating jobs and livelihoods
- ✓ Expanding infrastructure
- ✓ Transforming urban and rural spaces
- ✓ Transitioning to a low-carbon economy
- Improving education and training
- Providing quality health care
- Building a capable state
- Fighting corruption and enhancing accountability
- Transforming society and uniting the nation

The proposed Nyala Solar Energy Facility 3 is moderately in alignment with the NDP through its potential to create employment and its plans to expand infrastructure.

(National Planning Commission, 2012)

**New Growth Path (2010)**

The New Growth Path aims to ensure that jobs and decent work are at the centre of economic policy. The NGP has identified several job drivers and priority sectors that should be focused on over the coming years. These include:

- ✓ Infrastructure investment
- ✓ Prioritising efforts to support employment in the main economic sectors, including the Green Economy
- ✓ Spatial development
- ✓ Fostering rural development and regional integration
- Seizing the potential of new economies
- Investing in social capital and public services

The proposed development shows alignment with the New Growth Path regarding its aim to invest in infrastructure and the potential to increase employment within the green economy.

(Department of Economic Development, 2010)

**White Paper on Renewable  
Energy (2003)**

The White Paper elaborates on the South African government's policy principles and strategic goals and objectives for the promotion and implementation of the RE sector in the country. The White Paper, which supplements the White Paper on Energy Policy, identifies the long- and medium-term potential of RE in South Africa.

The White Paper seeks:

- ✓ To promote, enhance and develop technologies for the implementation of sustainable renewable energy.
- To raise public awareness of the benefits and opportunities of renewable energy.
- To develop, implement, maintain, and continuously improve an effective legislative system to promote the implementation of renewable energy.
- To promote the implementation of sustainable renewable energy through the establishment of appropriate financial instruments.

The proposed development shows alignment with the White Paper through its objective of promoting the implementation of sustainable renewable energy.

(Department: Mineral Resources & Energy, 2003)

## PROVINCIAL POLICIES

### Limpopo Strategic Plan 2020-2025

Limpopo is a province that depends significantly on non-renewable sources of energy and experiences pollution and environmental degradation. The Limpopo Strategic Plan seeks to outline the provincial priorities for social and economic development for a 5-year period. The plan aims to achieve through the implementation of social and economic programs that result in the achievement of development outcomes, which are outlined as follows:

- ✓ Create decent employment through inclusive economic growth and sustainable livelihoods
- ✓ Ensure sustainable development
- ✓ Raise the effectiveness and efficiency of a developmental public service
- Improve the quality of life of citizens
- Prioritise social protection and social investment
- Promote vibrant and equitable sustainable rural communities

The proposed development is in alignment with the Limpopo Strategic Plan through its role in accelerating renewable energy use in Limpopo province. By providing an alternative source of energy, it is expected to alleviate the strain on the municipal electricity load, resulting in a more sustainable and balanced energy supply.

(Limpopo Provincial Government, 2020)

### Limpopo Development Plan 2015-2019

The Limpopo Development Plan acknowledges that energy provision is a concern in some areas, given that the mining sector consumes a large portion of the available electricity. The strategy to attract productive investment is to plan and implement carefully selected public sector investment projects in the priority growth points and economic development clusters of Limpopo province. The cluster's priorities are listed below and provide the strategic framework for most of the economic components of the Limpopo Development Plan.

- ✓ Coal and Energy Cluster in Lephalale Green City urban development Growth Point
- Platinum Cluster in Tubatse and Mokopane Growth Points
- Musina-Makhado Corridor Mining Cluster
- Phalaborwa Mining Cluster
- Polokwane and Musina Logistical Hubs
- Agricultural Clusters
- Tourism Clusters

The actions set out to achieve this are:

- ✓ Develop energy infrastructure and service provision
- ✓ Expand renewable energy with special reference to solar power
- ✓ Increase energy efficiency (reduce demand)

The proposed development is in alignment with the Limpopo Development Plan through its role in accelerating renewable energy use in Limpopo province.

(Limpopo Provincial Government , 2015)



**Limpopo Provincial Spatial Development Framework (PSDF) (2015)**

The Limpopo Provincial Spatial Development Framework's (PSDF) vision is to create a sustainable urban and rural spatial development pattern focussed on a modern, ecologically sustainable economy, supported by a suitably skilled labour force and providing for quality of living ( Provincial Government, ). In order to realize its vision, it has set out strategic goals which include:

- ✓ International Cooperation to Accelerate Sustainable Development in Developing Countries and Related Domestic Policies (Trade).
- ✓ Changing consumption patterns in energy and transport.
- ✓ Demographic dynamics and sustainability.
- ✓ Environmentally sound management of biotechnology and transfer of environmentally sound technology, cooperation, and capacity building.
- Protecting and promoting human health.
- Promoting sustainable human settlement development.
- Integrating environment and development in decision making.
- Protection of the atmosphere.
- Integrated approach to the planning and management of land resources.
- Combating deforestation.
- Managing Fragile Ecosystems: Combating Desertification and drought.
- Managing fragile ecosystems: Sustainable Mountain development.
- Promoting sustainable agriculture and rural development.
- Conservation of biological diversity.
- Protection of the quality and supply of freshwater resources.

The proposed development is in alignment with the Limpopo PSDF by promoting renewable energy use, optimizing land utilisation, supporting economic growth, and alleviating pressure on municipal electricity infrastructure.

(Limpopo Provincial Government, 2015)

**LOCAL POLICIES**

**Waterberg DM IDP 2023/2024  
Draft & Waterberg DM IDP  
2022/2023**

The Integrated Development Planning (IDP) is a process through which Municipalities prepare strategic development plans for a five-year period. The function of the Framework plan is to ensure that the process of the district IDP and local IDPs are mutually linked and can inform each other ensuring co-operative governance. The purpose of this Waterberg District One Plan is:

- ✓ To promote sustainable economic development
- ✓ To provide basic services and infrastructure
- ✓ To ensure effective governance and service delivery
- ✓ To protect and conserve the environment
- To promote social development and inclusion

These objectives provide a broad framework for guiding the development and implementation of the IDP, with the aim to achieve a balanced and sustainable development in the Waterberg District Municipality

The proposed Nyala Solar Energy Facility 3 aligns with the IDP due to its potential to directly promote infrastructure growth and create an environment which is conducive to investment.

(Waterberg District Municipality, 2022)

<b>Waterberg DM Local Economic Development (LED) Strategy 2014</b>	<p>The LED outlines several strategies that will promote local economic development and address the key challenges identified by the district municipality. The objectives of the LED strategies are as follows:</p> <ul style="list-style-type: none"> <li>✓ Promote economic growth and development</li> <li>• Support entrepreneurship and small businesses</li> <li>• Enhance skills development and education</li> <li>• Promote tourism and cultural heritage</li> <li>• Foster partnerships and collaboration</li> <li>• Manufacturing and Trade</li> </ul> <p>These objectives provide a roadmap for the Waterberg District Municipality's LED strategy, guiding its interventions and initiatives to drive economic development, create employment opportunities, and improve the overall economic well-being of the district and its communities. The proposed Nyala Solar Energy Facility 3 and associated infrastructure align with the LED by promoting sustainable economic growth, creating job opportunities, and attracting investments in the renewable energy sector.</p> <p>(Waterberg DM, 2017)</p>
<b>Thabazimbi LM IDP 2023/2024 Draft &amp; Thabazimbi LM IDP 2022/2023 Draft</b>	<p>The aim of the IDP for Thabazimbi is to present a coherent plan in order to achieve the vision of the municipality. The intention of this IDP is to link, integrate and co-ordinate development plans for TLM which are aligned with national, provincial and district development plans as well as planning requirements binding on the municipality in terms of legislation.</p> <p>The Thabazimbi LM IDP provides key principles for development within the area. It is used to inform and guide the LM's plans. Its main objectives include the following:</p> <ul style="list-style-type: none"> <li>✓ To develop and improve community infrastructure facilities</li> <li>✓ To create an enabling environment for social development and economic growth</li> <li>• To develop and maintain infrastructure to provide basic services</li> <li>• To establish economically, socially and environmentally integrated sustainable land use and human settlement</li> </ul> <p>The proposed Nyala Solar Energy Facility 3 and associated infrastructure are aligned with the Thabazimbi LM IDP as it will help create an enabling environment for social development and economic growth</p> <p>(Thabazimbi LM, 2022)</p>

## 2.2 Concluding Remarks

The policy environment is critical in the early stages of a project as it offers an overview of the government's primary objectives and whether the project is aligned with the objectives of the development policy within the country.

At the national, provincial, and district levels, objectives include promoting economic development and job creation supporting the green economy, poverty reduction, and upskilling and educating individuals as well as fostering rural and spatial integration. The analysed national documents show that the proposed Nyala Solar Energy Facility 3 aligns with the government's strategic aims of creating new jobs, promoting infrastructure development, and contributing to the production of renewable energy.

At a provincial level, the Limpopo provincial government strives to increase economic development, alleviate poverty and improve the environment by reducing the effects of climate change. As a result, the proposed Nyala Solar Energy Facility 3 aligns with provincial policies as it will create employment and increase renewable energy initiatives within the province.

Both district and local municipality strategic documents outline the need for increased job opportunities and local economic development as well as diversification of the economy. The proposed Nyala Solar Energy Facility 3 is aligned with the IDPs, which aim to increase infrastructure development and increase overall local economic and socio-economic development within the municipalities (this through increasing infrastructure in the area as well as the number of general jobs). These achievements will, in turn, increase local economic and socio-economic development.

Having determined the policy environment, the next section seeks to provide a detailed profile of the zone as per the delineation. The goal is to identify the areas that the proposed development is most likely to affect (if any) and to identify who will be affected by the socio-economic impacts that may arise from the development of the Nyala Solar Energy Facility 3 and associated infrastructure.

### 3 ZONE OF INFLUENCE

This chapter investigates the various dynamics of the proposed project site. The chapter addresses important issues as it looks at the area in which the project will take place, giving a better understanding of who the project will directly affect.

The proposed Nyala Solar Energy Facility 3 and associated infrastructure are envisioned to be located on approximately 57 ha of land 1.5 km north of Northam in Thabazimbi LM within the Waterberg DM of Limpopo province. The surrounding towns, as highlighted in Table 3-1 below, further contribute to the regional context of the project.

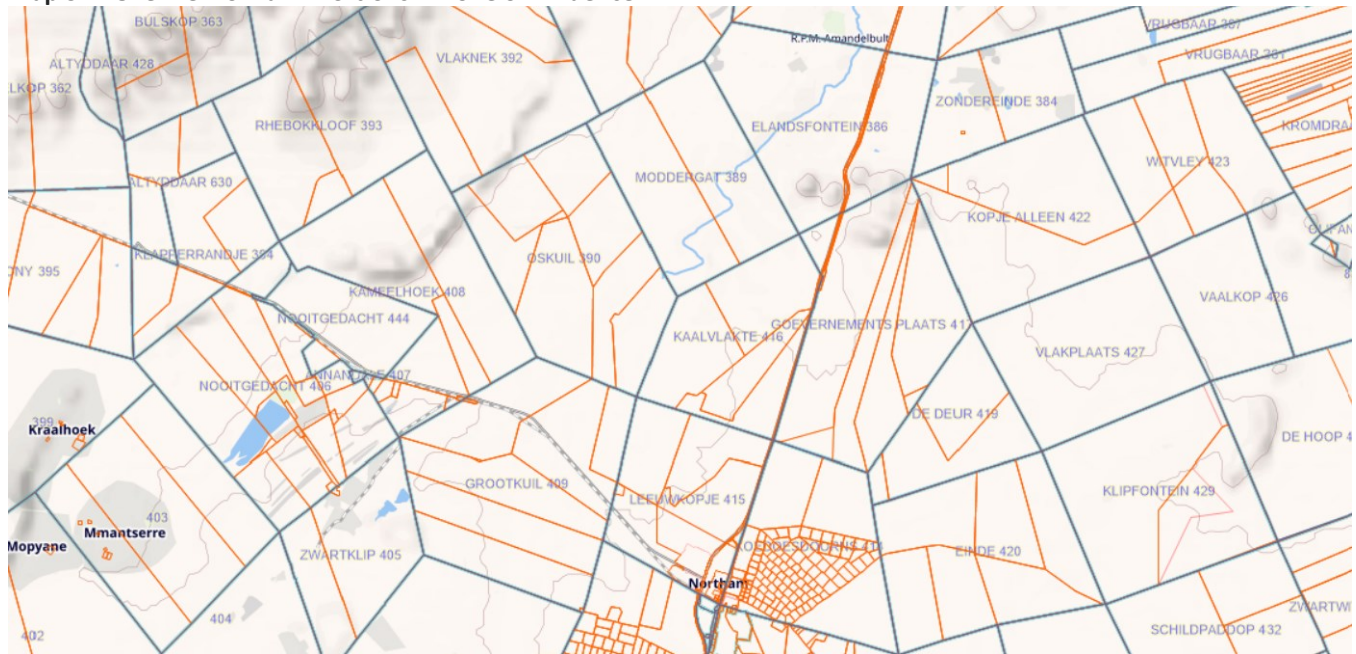
Table 3-1: Towns in Proximity to Proposed Site

Town	Distance (km)
Northam	1.5
Amandelbult	11
Swartklip	11
Leeupoort Vakansiedorp	36.5

Source: Praxos (pty) Ltd (2023)

The proposed Nyala Solar Energy Facility 3 will be situated on farm Leeuwkopje No. 415, directly next to the R510. The area surrounding farm Leeuwkopje showcases a diverse landscape, characterized by a blend of rural and semi-urban environments. There are scattered settlements and various agricultural activities, reflecting the agricultural significance of the area. It's worth noting that there are several other farms located in close proximity to farm Leeuwkopje, contributing to the agricultural landscape and rural atmosphere of the region. Map 3-1 below provides an overview of the farm layout and its relation to neighbouring farms, providing valuable context to the geographic setting of the proposed Nyala Solar Energy Facility 3.

**Map 3-1: Overview of Farm Portions in Zone of Influence**



Source: Source: Google Earth map observations and spatial data from Chief Surveyor-General website (<https://csggis.drdlr.gov.za/psv/>)

To efficiently manage the scope of the study by identifying the best clusters of observations for the projected development. The footprint of the proposed development has been classified as follows:

- The primary study area is Northam town, as the closest town to the proposed development. This includes the site where the proposed Nyala Solar Energy Facility 3 is to be located and the regions immediately adjacent.
- The secondary study area is Thabazimbi LM. This is due to the wider range of impacts the Nyala Solar Energy Facility 3 and associated infrastructure could potentially have on the surrounding areas and the DM.
- Waterberg DM will be considered the tertiary study area due to the impacts the proposed Nyala Solar Energy Facility 3 and associated infrastructure, if any, could have on the district's economy.

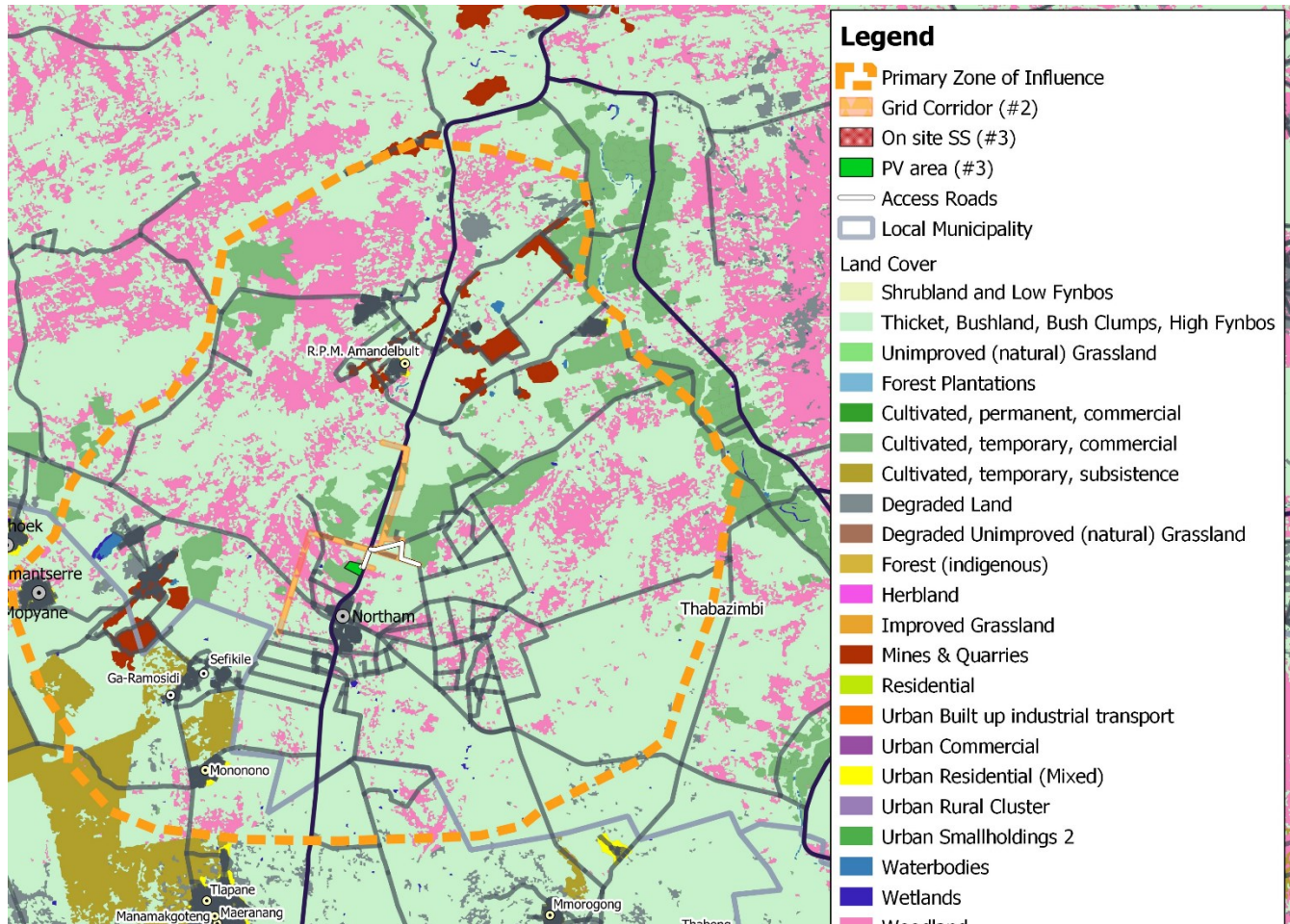
The above-mentioned zones are prioritised in this report, however, mentions of other areas will be included if necessary to support the document.

### 3.1 Land Use Profile

This sub-section will evaluate the land-use profile for the proposed project site. Map 3-2 provides a more detailed description of the land uses that have been primarily identified to be located within the proposed project site.



**Map 3-2: Land use Map of the Proposed Project Site and Surrounding Areas**



Source: QGIS, 2022 adapted by Urban-Econ

Map 3-2 provides a comprehensive overview of the land uses surrounding the proposed development site and within its proximity. The map indicates that the proposed development is surrounded by areas of cultivated land, herbland and bush land. It is worth noting that the Nyala Solar Energy Facility 3 is specifically planned to be situated on utilised cultivated land. This observation is further supported by the images in Figure 3-1 below, which depict the site and its immediate surroundings.

**Figure 3-1: Proposed Location of Nyala Solar Energy Facility 3**



Source: Urban-Econ (Site Visit)

The nearest urban residential area, Northam, is located approximately 1.5 km away towards the North and East. These residents may be affected by the construction and development activities due to their proximity to the site. Additionally, the site is situated next to the R510 road, suggesting potential impacts on the road infrastructure.

During the site visit, various businesses such as agricultural farms and guest houses, including Milton Guesthouse and Milton Guestfarm, were observed in the vicinity. Table 3-2 provides a detailed description of the land uses near the proposed site, and Figure 3-2 offers a visual representation of the area.

**Table 3-2: Land Use in Surrounding area**

Direction	Distance	Land Use
North	0.0km	Vacant Land
	1.1km	Amandebult Readymix Plant
North-east	443m	Cultivated Land
	900m	Private Property (Small Farm)
	2.8km	Miltons Guestfarm
	4.4km	Miltons Guesthouse
East	100m	Cultivated Land
South-East	100m	Vacant Land
	1.7km	Private Property (Small Farm)
South	0.0km	Cultivated Land



Direction	Distance	Land Use
South-west	0.0km	Cultivated Land
	1.3km	Private Property (Small Farm)
	5.3km	Tirammogo Lodge
West	0.0km	Vacant Land
	10km	Mining Operation
North-west	0.0km	Vacant Land
	5.1km	Private Property (Small Farm)

Source: Praxos (pty) Ltd (2023)

**Figure 3-2: Activities in Proximity to Proposed Development**



Source: Urban-Econ (Site Visit)

The proposed site's proximity to the main road R510 and the residential area within a 1.5 km radius indicates that the construction and operations of the facility may have noticeable impacts on these areas. Adverse effects such as excessive noise, dust, and increased traffic are anticipated. However, it is important to note that the impacts are expected to be primarily concentrated in the immediate vicinity, while the undeveloped land in the area is likely to be less affected.

A comprehensive analysis of these impacts and the corresponding mitigation measures will be further explored in Chapter 6 of this report. Additionally, more detailed information will be provided in the Environmental Impact



Assessment (EIA) Report, ensuring a thorough examination of the potential impacts and appropriate measures to address them.

### 3.2 Resource and Land Capability

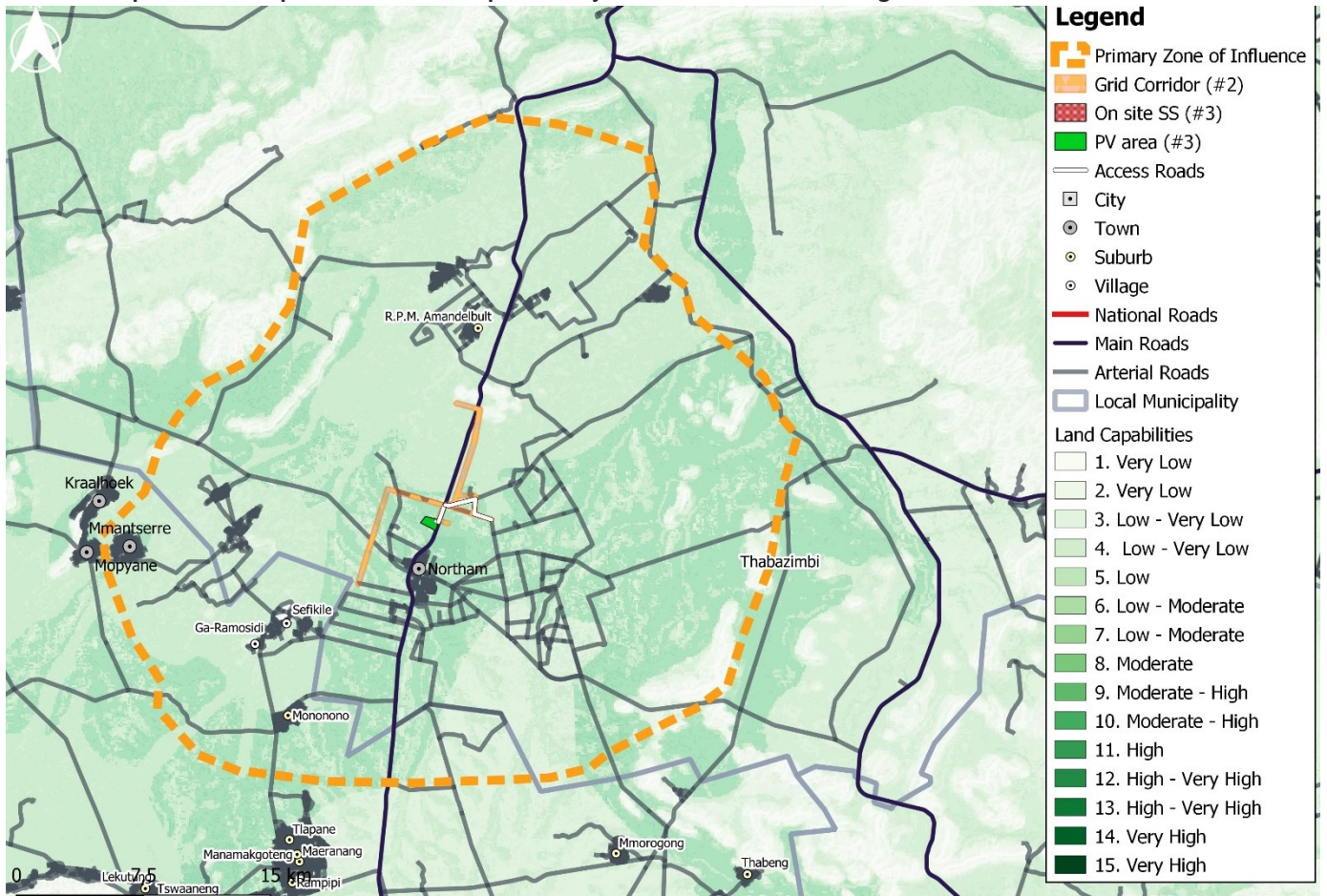
This sub-section will serve as an overview of the resources and land capability within proximity of the proposed project site. Land capability can be defined as the extent to which land can meet the needs of one or more uses under defined conditions of management without permanent management. The expression is in a value that considers several effects of physical factors on the sustainability and potential use for:

- Crops that require regular tillage
- Grazing
- Forestry
- Wildlife

Map 3-3 illustrates the land and capability of the proposed project site and its surroundings. The land capability involves consideration of the following factors:

- The difficulties in land use are caused by physical factors such as including climate (rain-fed production)
- Production potential

• **Map 3-3: Land Capabilities of the Proposed Project Site and its Surroundings**



Source: National Department of Agriculture, Fishery and Forestry, QGIS, 2022 (adapted by Urban-Econ)

According to Map 3-3, lighter shades on the map indicate areas with lower land capabilities, suggesting limited agricultural potential. Conversely, darker shaded areas represent land with higher capabilities, indicating prime agricultural land.

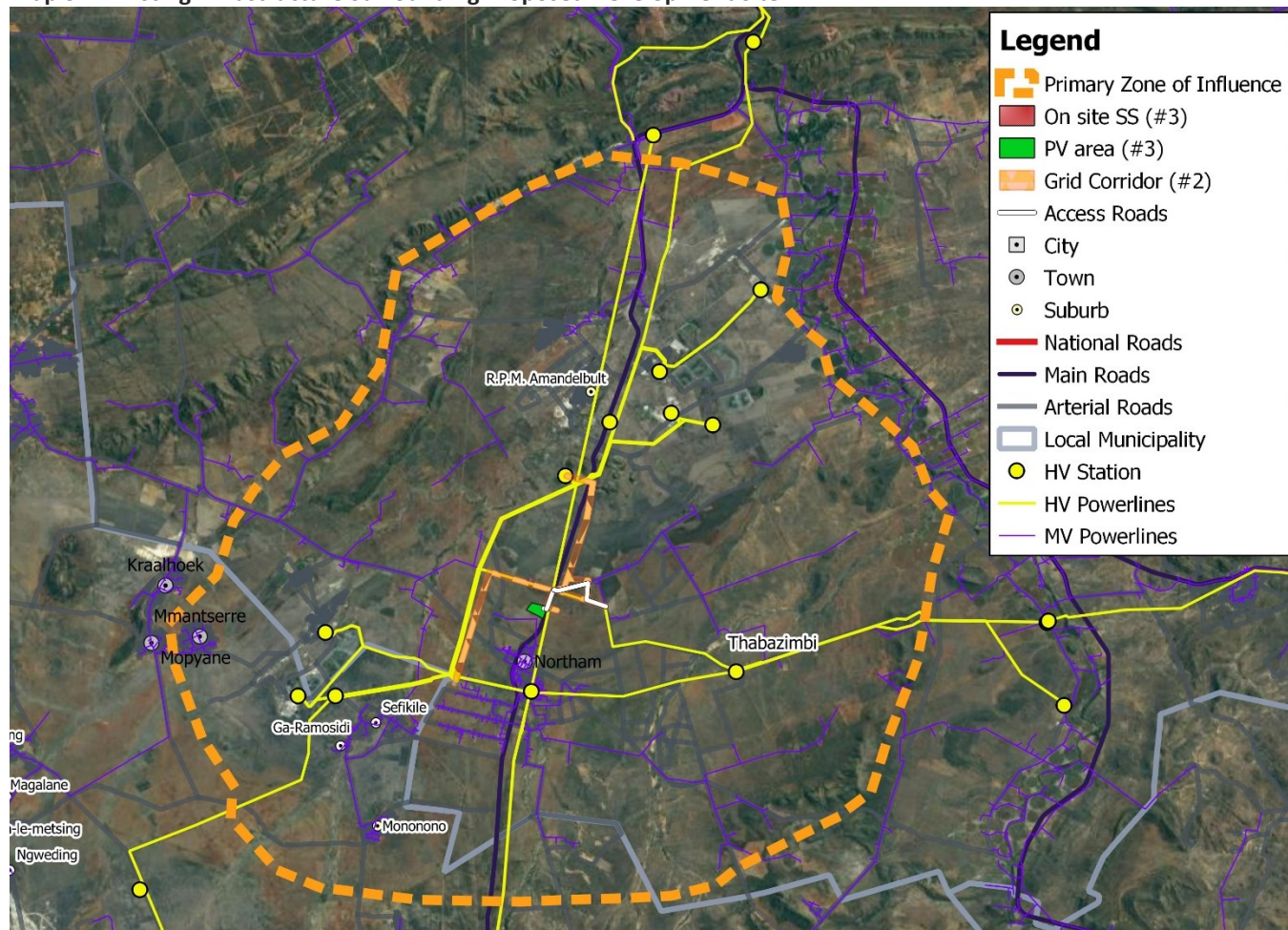
The project site is primarily situated on land classified as having low to moderate land capabilities, indicating that it may not be the most suitable land for agricultural activities. As a result, the proposed development is not expected to significantly impact existing agricultural operations in the surrounding area. However, a more comprehensive investigation will be conducted in chapter 6 of this report and will be further detailed in the EIA report.



### 3.3 Access to Infrastructure

This sub-section analyses the infrastructure around the proposed project site. The analysis includes Map 3-4 which assesses the availability of railways and roads, and any power-related infrastructure surrounding the proposed project site.

### Map 3-4: Existing Infrastructure Surrounding Proposed Development Site



Source: National Geo-Spatial Information, Eskom, QGIS, 2022 adapted by Urban-Econ

The purpose of the map above is to provide an overview of the infrastructure that currently exists in the vicinity of the proposed development site. This includes key features such as roads, buildings, utilities, and other relevant infrastructure.

The proposed site for the solar facility is situated adjacent to the main road R510, as shown in Map 3-4. The proximity of the site to the road highlights the need to carefully consider the placement and orientation of the solar panels to minimize potential glare issues that could affect the users of the R510. Additionally, it is worth noting that the R510 serves as an access route to the proposed site, further emphasizing the importance of addressing any potential glare concerns for the safety and comfort of road users.

Additionally, there are medium voltage powerlines in the vicinity of the development; however, none of them passes directly over the proposed site. As a result, it is expected that there will be no significant impact on the existing infrastructure within the community. Nonetheless, a detailed investigation of this matter will be conducted in Chapter 6 of this report and further elaborated upon in the EIA report.

### 3.4 Concluding Remarks

Chapter 3 presents a comprehensive overview of the zone of influence associated with the proposed development. It encompasses a range of important factors, including the classification of observation clusters, land use profiles, resource and land capabilities, and an evaluation of existing infrastructure in and around the site. These aspects collectively contribute to a deeper understanding of the dynamics surrounding the project area.

The proposed location for the Nyala Solar Energy Facility 3 spans approximately 57 hectares of land, situated approximately 1.5 kilometers northeast of Northam in Thabazimbi Local Municipality within the Waterberg District Municipality of Limpopo province. Access to the site is facilitated by the nearby R510 highway, which connects Rustenburg and Thabazimbi, running adjacent to the proposed site.

Regarding existing infrastructure, there are medium voltage powerlines in the vicinity of the development, but they do not pass directly over the proposed site. Therefore, the impact on the community's infrastructure is expected to be minimal.

The immediate surroundings of the proposed development comprise bush land, bush clumps, temporary cultivated land, and unimproved land, which contribute to the overall landscape and environmental context. The land capabilities in the area indicate limited agricultural potential, suggesting that the impact on agricultural activities will be minimal.

Gaining a comprehensive understanding of the project area and its zone of influence is crucial in order to identify the potential stakeholders and elements that may be affected by the construction and operations of the proposed development. The subsequent chapter in this report is dedicated to examining the current state of the region, with the objective of conducting a detailed analysis of the potential impacts that could emerge from the implementation of the proposed project. This assessment will provide valuable insights for informed decision-making and effective mitigation strategies.

## 4 BASELINE INFORMATION

This chapter addresses the study area's existing socio-economic environment. A baseline profile is necessary because it provides both qualitative and quantitative data on the people and economies that stand to be affected by a proposed development and thus serves as a benchmark against which the project's effects can be measured. Given the limited data available, this section primarily focuses on providing baseline information for the secondary study area. It is assumed that the secondary study area will serve as a representative sample of the primary study area.

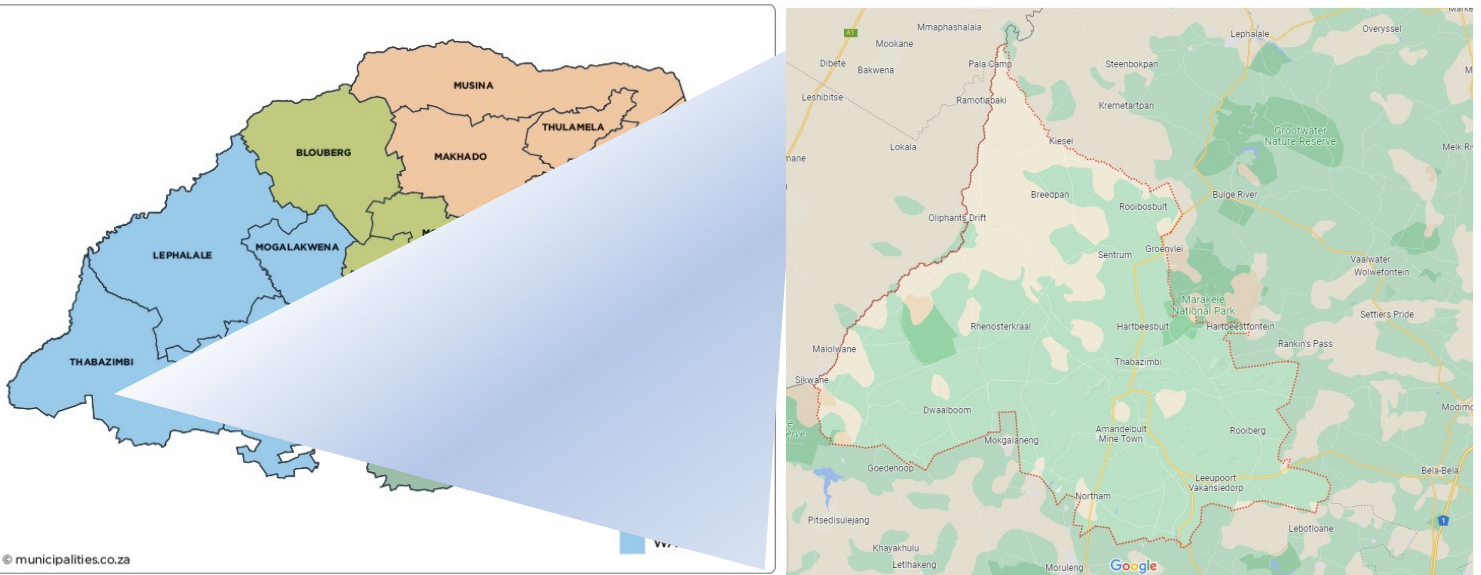
This section will analyse the following key indicators:

- the study area's composition and locational factors;
- the sense of place, history, and cultural aspects;
- demographics, and crime;
- income and education;
- the economy; and
- the labour force and employment structure.

### 4.1 Study Area's Composition and Locational Factors

The proposed project site is situated in the Thabazimbi Local Municipality (LM), which is categorized as a Category B municipality within the Limpopo province. It is part of the larger administrative region known as the Waterberg District Municipality (DM), which consists of five Local Municipalities: Thabazimbi, Bela-Bela, Lephalale, Mogalakwena, and Modimolle-Mookgophong, as depicted in Map 4-1.

**Map 4-1: Representation of Study Area**



The Thabazimbi LM is located in the Limpopo Province and extends to the Botswana border. The municipality is the second largest LM in Waterberg DM with a total area of about 10 882 km<sup>2</sup>. It is characterized by its unique geographical features and diverse natural resources. The municipality encompasses a mix of rural and semi-urban areas, with a population primarily engaged in agriculture, mining, and tourism.

Thabazimbi LM is served by two established Central Business Districts; the Thabazimbi town CBD and the Northam CBD. The Thabazimbi Town is the largest conglomeration of business and residential development in the municipal area (Thabazimbi LM, 2022). The large business centres, public transport infrastructure and administrative offices are located in this vicinity and has thus been identified as a Provincial growth Point within Limpopo. This area must therefore become a focal area for development.

As part of the Waterberg DM, the Thabazimbi LM benefits from shared resources and collaborative governance aimed at promoting sustainable development and enhancing the quality of life for its residents. The district is known for its commitment to environmental conservation, responsible resource management, and the promotion of economic growth.

The following subsections will briefly unpack the primary study area further, highlighting the history and cultural aspects, the demographics, and the economy of the area. They will also provide an overview of the income and education levels of communities, the current labour force and employment structures, and the area's access to basic services.

## 4.2 Sense of Place, History, and Cultural Aspects

This subsection aims to provide an overview of the LM's sense of place, history, and cultural aspects applicable to the proposed Nyala Solar Energy Facility 3. Thabazimbi LM was established as a local municipality in 2000 in accordance with Section 12 of the Local Government: Municipal Structures Act (No. 117 of 1998). The majority of the LM's residents can be classified as African, while the minority population densities are among Indian, coloured, and white residents.

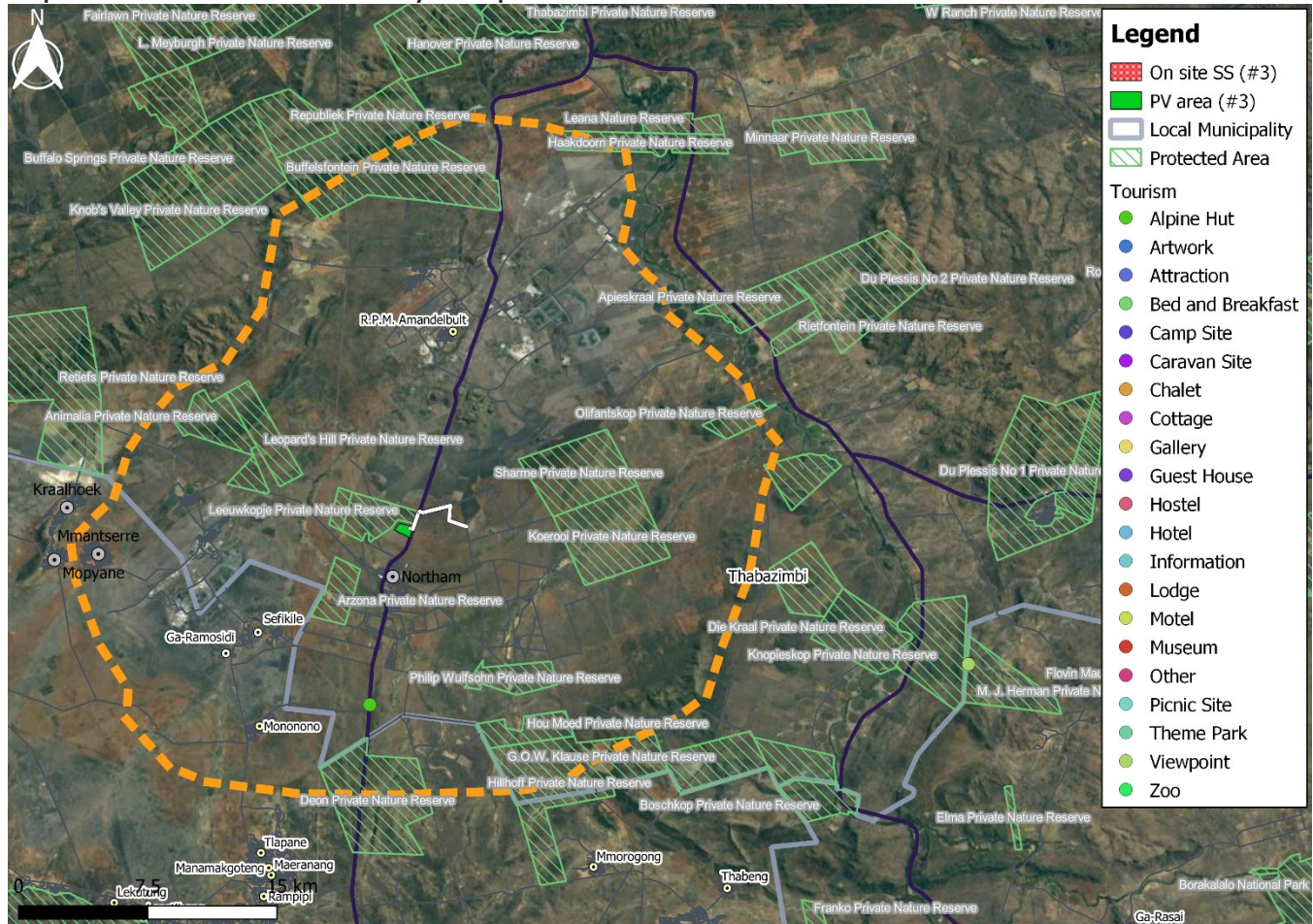
The history of Thabazimbi LM is intertwined with the discovery of iron ore deposits in the area, which played a pivotal role in shaping the development and growth of the municipality. The extraction and mining of iron ore have left a lasting imprint on the landscape and economy of the region. The presence of mining activities has not only provided employment opportunities but has also influenced the cultural fabric of the local communities.

Thabazimbi LM offers a diverse and captivating tourism landscape that showcases the region's natural beauty and cultural heritage. The municipality's tourism assets primarily revolve around its rich wildlife and outdoor experiences. Additionally, Thabazimbi LM boasts unique cultural attractions, such as historical sites, traditional villages, and cultural events that allow visitors to immerse themselves in the local customs and traditions.

Closer to the proposed develop, there two main tourist destinations in the surrounding area are Miltons Guesthouse and Angasii Game Lodge. It is however important to evaluate the tourist attractions within proximity to the proposed Nyala Solar Energy Facility 3 to ensure that no notable tourist attractions or wildlife will be impacted by the proposed development. The tourist attractions within the proposed Nyala Solar Energy Facility 3 are depicted in Map 4 2 on the following page.



**Map 4-2: Tourist Sites within Proximity to Proposed Site.**



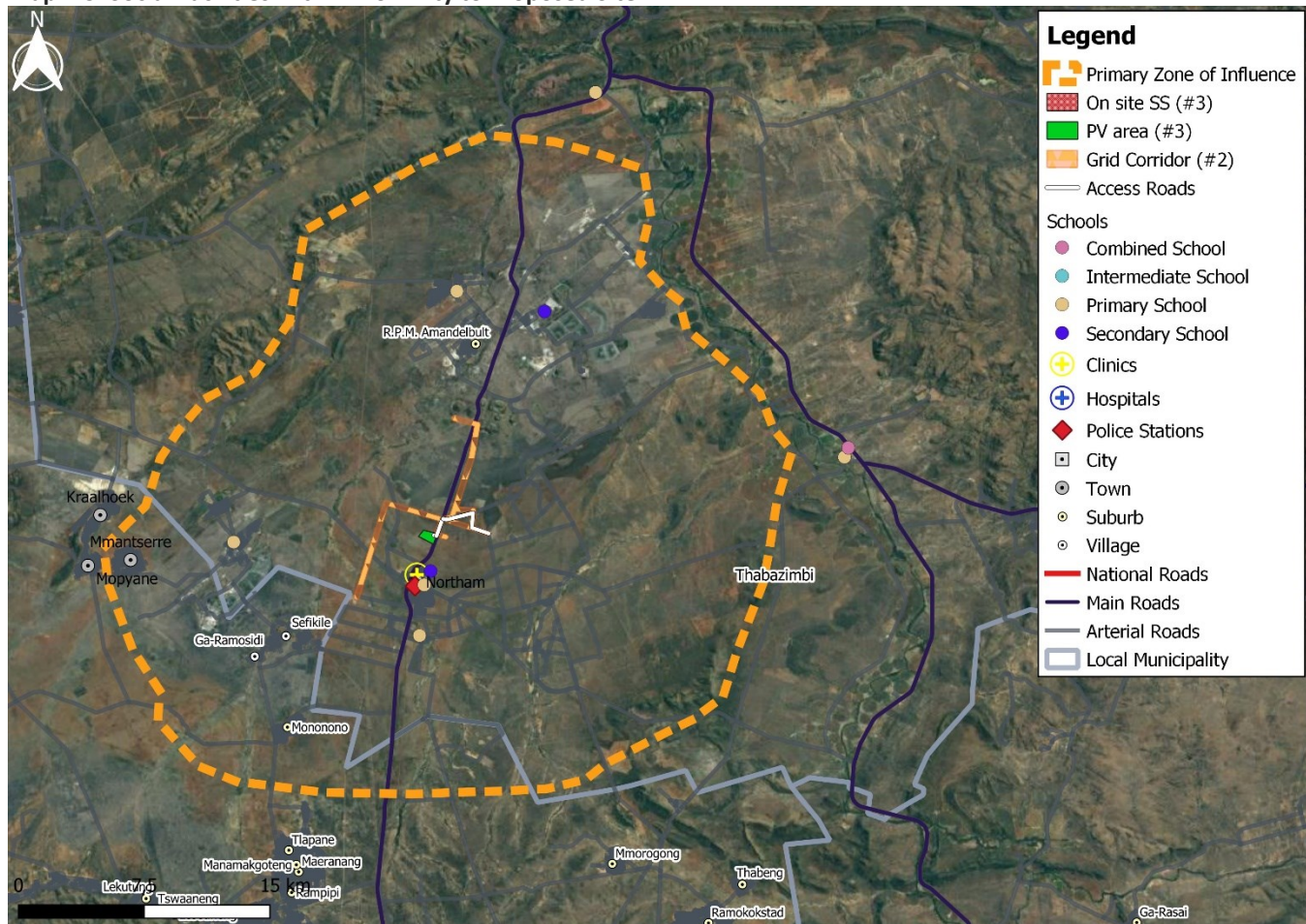
Source: Extrapolated from Planet GIS, QGIS, 2022, adapted by Urban-Econ

Map 4-2 offers an overview of the protected areas and nearby tourist accommodations in close proximity to the proposed development. These include Miltons Guestfarm, Miltons Guesthouse, and Angasii Game Lodge. Additionally, the Leeuwkopje Private Nature Reserve directly borders the proposed site. While the construction of the facility may impact the nature reserve due to its close proximity, the other establishments are not expected to be significantly affected. Careful planning and implementation of mitigation measures will be crucial to minimize any adverse effects and ensure the preservation of the surrounding protected areas, as well as maintaining an uninterrupted experience for visitors to these tourist accommodations and protected areas.

Map 4-3 on the following page outlines the existing social facilities within the study area of the proposed project.



**Map 4-3: Social Facilities within Proximity to Proposed Site.**



Source: National Department of Basic Education, South Africa Police Service & National Department of Health, QGIS, 2022 adapted by Urban-Econ

As can be seen in Map 4 3 above, there are several schools situated within the primary area of influence surrounding the proposed site. The nearest school is approximately 6km away from the location of the proposed Nyala Solar Energy Facility 3. While there is a concern regarding potential disruptions to the schools' operations due to construction-related noise and air pollution, it is unlikely that the proposed development will have a significant impact on the nearby schools, given the nature of the project and the distance involved. However, careful consideration and appropriate mitigation measures should be implemented to ensure minimal disturbances.

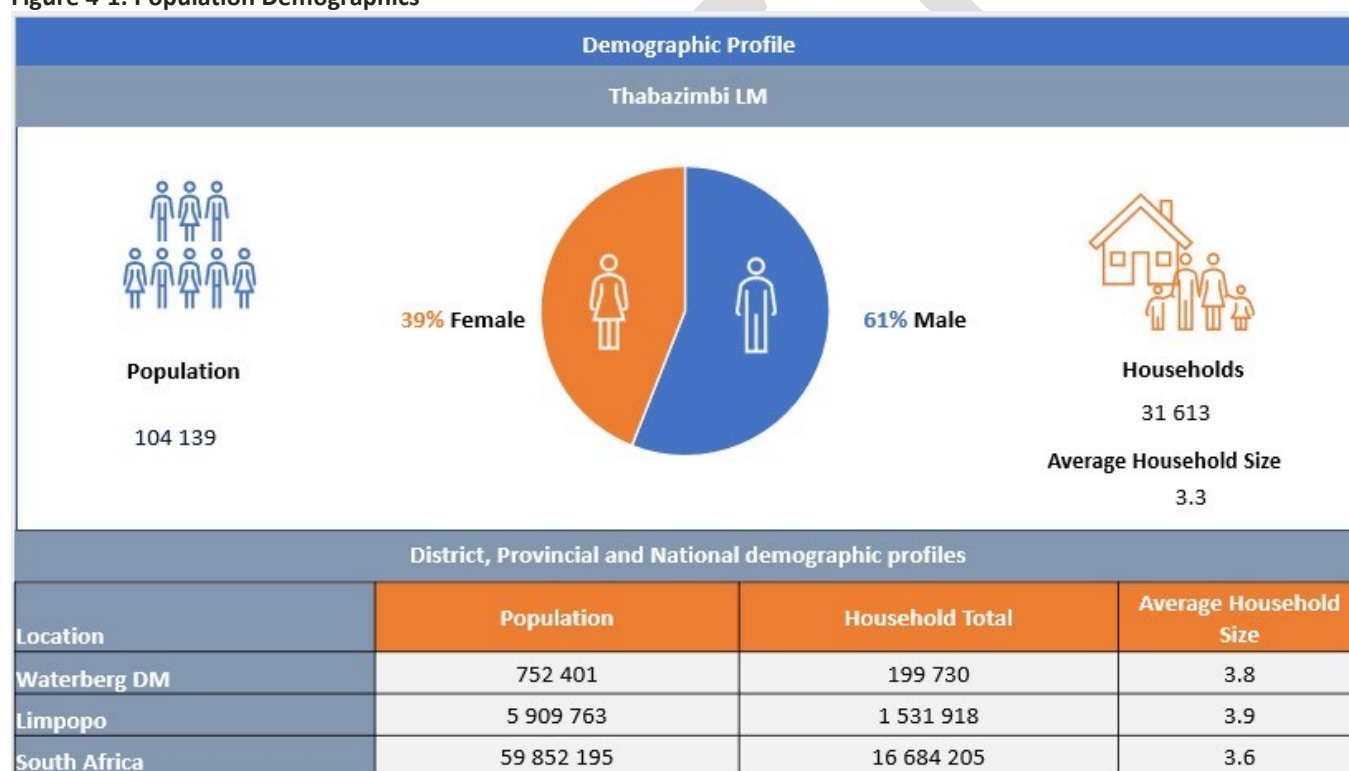
Furthermore, Map 4-3 also indicates the presence of a clinic located approximately 2km from the proposed Nyala Solar Energy Facility 3. Similar to the schools, it is unlikely that the clinic will be significantly affected by the development. A more detailed analysis of potential impacts will be provided in Chapter 6 of this report, while the Environmental Impact Assessment (EIA) phase will offer a comprehensive examination of the subject.

### 4.3 Demographics, Health, and Crime Profiles

This subsection aims to provide an overview of the demographics, health, and crime profiles within the primary study area. A grasp of these profiles is central to understanding the extent, if any, to which communities will be impacted by the project at hand.

The Thabazimbi LM recorded an average population growth rate of 1.6% per annum between 2016 and 2021. The LM's population growth rate was higher than the average national population growth rate (1.4%) and the average district population growth rate (0.9%) for this period. Males make up a greater proportion of the population in the LM than do females. As shown in Figure 4-1 below, males account for 61% of the total population.

**Figure 4-1: Population Demographics**



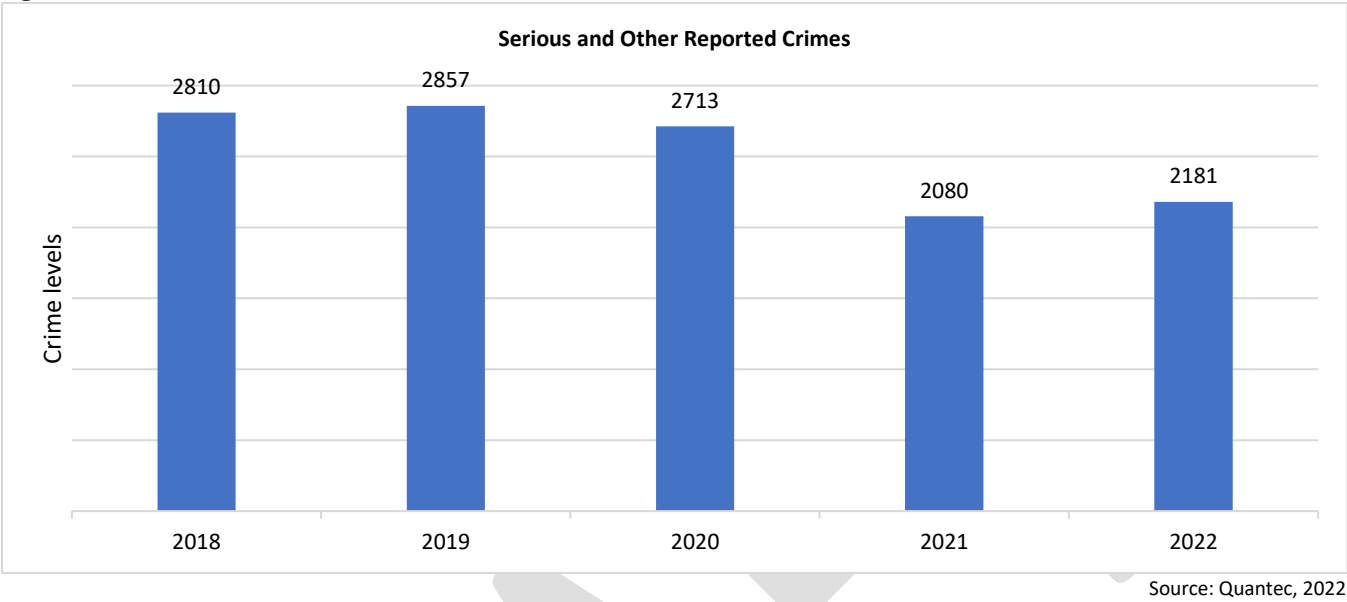
Source: Quantec, 2022

Based on data from Quantec (2022), the population of Thabazimbi LM in 2021 was approximately 104,139 individuals, residing in 31,613 households. This population size represents about 14% of the total population of the Waterberg DM and around 2% of the total population of the Limpopo province. In Thabazimbi LM, the average household size is 3.3 people per household, which is lower than both the provincial average of 3.9 people and the national average of 3.6 people.

Crime is an important indicator of a community's socioeconomic status. Figure 4-2 represents the serious and other crime levels in the Thabazimbi LM from 2018 to 2022. Serious crimes comprise of contact crimes, sexual

offences, robberies with aggravating circumstances, crimes involving property, and crimes discovered as a result of police action.

Figure 4-2: Thabazimbi LM: Serious Crime Levels



Thabazimbi LM has made community safety one of the important municipal priorities to lower crime rates in the LM. From 2018 to 2021, the LM reported an annual average decline of 5,5% in serious crimes, as shown in Figure 4-2. The COVID-19 pandemic, which led to stringent national lockdown regulations may have contributed to the significant decline in crime levels reported from 2020 to 2021.

From 2021 to 2022 the LM experienced a 4,9% increase in crime during that year. The exact reasons for this increase in crime during the specified period are uncertain. However, it is worth considering that the introduction of a new development project could potentially contribute to an increase in crime rates. The construction and operation of a project often attract a transient population, which can introduce new dynamics and challenges related to crime. The potential impact of the Nyala Solar Facility 3 on crime levels in the area will be examined in Chapter 6 of this report, providing a brief analysis. Further comprehensive analysis on this aspect will be conducted during the EIA.

4.4 Income and Education levels

The average income of an economy is used to assess the associated community’s standard of living as well as its state of development. Education levels are also a key indicator of a community’s social welfare and access to education. This subsection, therefore, aims to analyse the income and education levels of the primary study area to give an understanding of the developmental state and social welfare of the area. The table below is used to describe the income levels of Thabazimbi LM.

**Table 4-1: Primary Study Area Household Income (2011)**

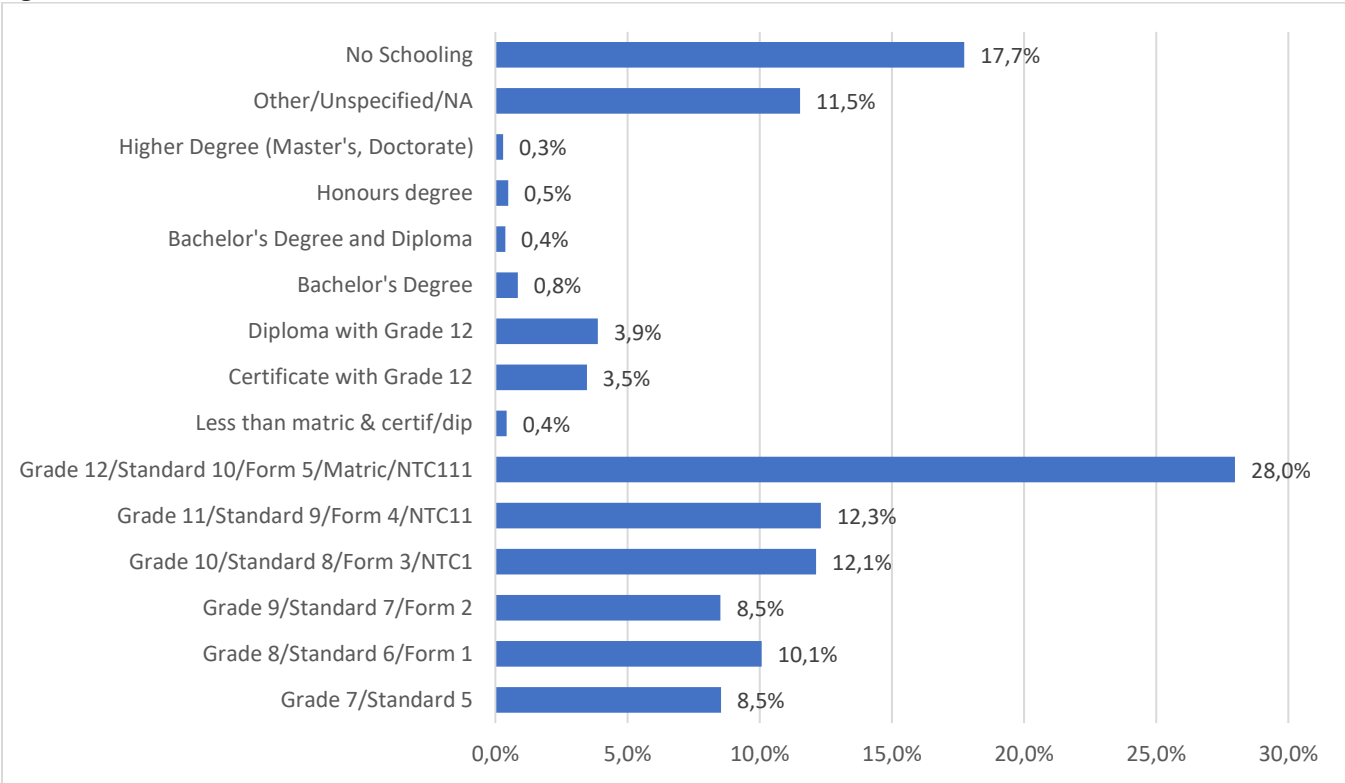
Annual Household Income	Percentage of LM Population
No Income	14.0%
Under R4 800	2.7%
R4 801 – R9 600	4.1%
R9 601 – R19 600	12.6%
R19 601 – R38 200	16.1%
R38 201 – R76 400	20.0%
R76 401 - R153 800	14.0%
R153 801 - R307 600	9.9%
R307 601 – R614 400	4.6%
R614 401 – R1 228 800	1.2%
R1 228 801 – R2 457 600	0.4%
R2 457 601 +	0.2%

Source: Stats SA, 2012

According to the 2011 Census data, a significant portion of Thabazimbi LM's population falls within the category of low-income households. These households typically have an annual income of less than R307 600. Specifically, the majority of households (20%) fall within the income range of R38 201 to R76 400, which translates to approximately R3 183 to R6 367 per month. On the other hand, about 7% of the LM's total households earn above R307 601 annually or approximately R25 633 per month. The prevalence of low-income households in the LM suggests that many residents face economic challenges and may experience limited financial resources.

Low average income levels are often related to the difficulty of getting access to adequate education. Education includes various levels, each of which reflects a broad segment of the education "ladder," i.e., the development from elementary learning to more difficult learning experiences. Figure 4-3 illustrates the level of education obtained by the residents of Thabazimbi LM.

**Figure 4-3: Education Levels in Thabazimbi LM**



Source: Quantec 2022

According to the available data, it is observed that a significant portion of Thabazimbi LM's adult population has limited formal education. Approximately 17.7% of the total adult population has not received any form of formal education, while roughly 28.0% have completed at least matriculation (secondary education). In contrast, less than 10% of the adult population in Thabazimbi LM holds higher education degrees, including bachelor's degrees, honours degrees, master's degrees, and doctorate degrees.

The educational landscape in Thabazimbi LM plays a significant role in shaping the labour market dynamics. The low levels of education among residents tend to be associated with a predominance of low-skilled labour. This correlation between educational attainment and skill level suggests that the general population faces challenges in accessing higher-paying job opportunities.

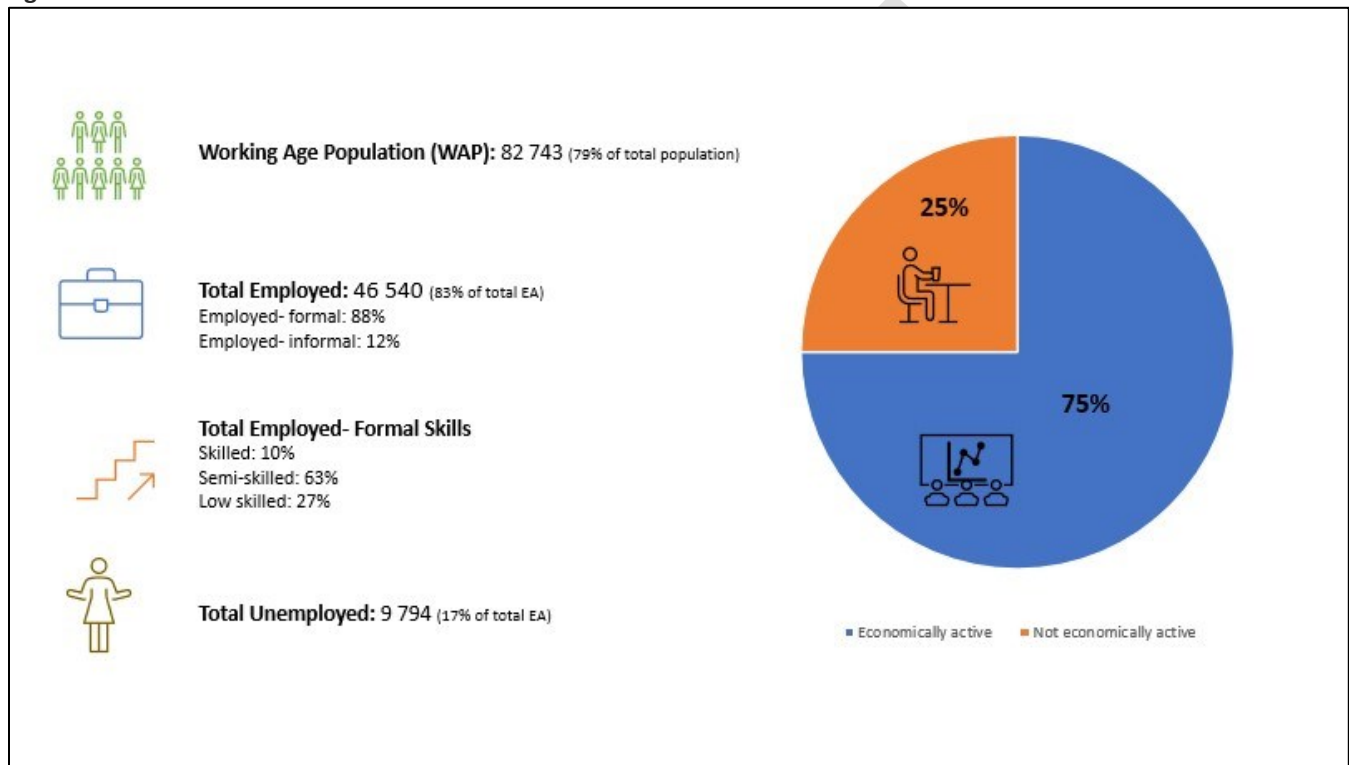
Furthermore, the observed low educational levels in Thabazimbi LM can be linked to the higher proportion of residents belonging to lower-income brackets. The limited educational opportunities and qualifications contribute to the prevalence of lower-income households within the municipality. This connection between educational attainment and income further underscores the socioeconomic challenges faced by the general population.



## 4.5 Labour Force and Employment Structure

Employment is the most common way for people of working age to generate money that will allow them to meet their basic necessities and enhance their standard of living. As a result, employment and unemployment rates are important measures of socio-economic status. This subsection briefly outlines the labour force in Thabazimbi LM, as shown in Figure 4 4 on the following page.

**Figure 4-4:Thabazimbi LM Labour Force Profile**



Source: Quantec, 2022

In 2021, Thabazimbi LM accounted for approximately 51% of the total employed population in Waterberg DM. The working-age population (WAP) constituted a significant portion of Thabazimbi LM's total population, representing about 79%, which translates to approximately 82 743 individuals. Figure 4- 4 indicated that 75% of the working-age population is economically active (EA), while the remaining 25% is not economically active (NEA). Within the economically active population, approximately 17% are unemployed, which amounts to about 9 794 individuals.

Regarding employment sectors, the LM's workforce comprises both formal and informal sectors. Around 12% of the employed population (approximately 5 444 individuals) are engaged in the informal sector, while the remaining 88% (approximately 41,096 individuals) are employed in the formal sector. Within the formal sector, the workforce is divided as follows: 10% skilled workers, 63% semi-skilled workers, and 27% low-skilled workers.

This might be due to the lack of individuals with higher education in the LM as well as the majority of the high number of jobs in the mining industry, where the level of employment is semi-skilled in nature.

## 4.6 Economic Profile

The creation, distribution, and consumption of products and services are the defining activities of an economy. The value of goods and services generated in a certain location, industry, or sector of the economy is measured by gross value added (GVA). This subsection looks at the economic profile of the primary study area by specifically reviewing GVA contributions (see Table 4-2 below).

**Table 4-2: Local Municipality Contributions to Waterberg DM and Limpopo Province (2021)**

Area/economy 2021	GVA	GVA Contribution	
	R (millions)	Limpopo Province	Waterberg DM
Limpopo Province	860 055.2	100%	
Waterberg DM	257 601.1	30%	100%
Thabazimbi LM	160 382.0	19%	62%
Lephalale LM	33 155.3	4%	13%
Mookgopong LM	69 74.9	1%	3%
Modimolle LM	12 768.2	1%	5%
Bela-Bela LM	12 395.5	1%	5%
Mogalakwena LM	31 925.2	4%	12%

Source: Urban-Econ calculations based on Quantec, 2022

Table 4 2 shows that the GVA of the Thabazimbi LM was valued at R160 382 million in 2021. This constituted approximately 30% (a third) of the total GVA for the Waterberg DM in that year, making Thabazimbi LM the largest contributor to the DM. The economic profile of Thabazimbi LM is dominated by the primary sector, with the highest contributing sector being the mining and quarrying sector.

**Table 4-3: Sector Contributions to the Thabazimbi LM Economy**

Thabazimbi LM Economic Sectors	GVA (R millions)	Contribution
Agriculture, forestry and fishing	2379.8	1.5%
Mining and quarrying	147 368.8	91.9%
Manufacturing	1616.9	1.0%
Electricity, gas and water	721.5	0.4%
Construction	1 277.4	0.8%
Wholesale and retail trade, catering and accommodation	2 152.0	1.3%
Transport, storage and communication	565.3	0.4%
Finance, insurance, real estate and business services	2593.4	1.6%
General government	512.1	0.3%
Community, social and personal services	1194.9	0.7%



Thabazimbi LM Economic Sectors	GVA (R millions)	Contribution
Total	160 382.0	100.0%





Source: Urban-Econ calculations based on Quantec, 2022

Table 4-3 indicates that the mining and quarrying sector contributes 91.9% of the LM's economic activity. This is followed by the finance, insurance, real estate, and business services, which contributes approximately 1.6% of the LM's GVA. The proposed Nyala Solar Energy Facility 3 is expected to contribute to the LMs' electricity, gas and water GVA. Furthermore, because it is a solar facility, this would likely have a significant spill over effect on other economic sectors and the respective GVA of the LM. Chapter 6 will give an overview of the impact on GVA, and the EIA report will go into more detail.

## 4.7 Access to Basic Services

Shelter, water, power, sanitation, and other services are factors that help establish people's standard of living in the LM. Another factor to consider when thinking about living standards is infrastructure and the state of municipal infrastructure. The existence of social and economic infrastructure, such as roads, educational institutions, and health facilities, further reflects the nature of the study region, which is important in constructing a comprehensive picture of the conditions in which communities live. This sub-section aims to briefly describe the municipality's access to basic services, as illustrated in Figure 4-5 below.

Figure 4-5: Access to Basic Services

Water			Energy		
	Inside dwelling	30.9%		Electricity	94.3%
	Borehole	10.1%		Candles	5.3%
	Inside yard	25.5%		Solar	0.1%
	Other	33.3%		None	0.3%
Sanitation			Refuse Removal		
Pit toilet	24.3%		Own refuse removal	27.9%	
Flush toilet	75.1%		Weekly removal by LM	54.1%	
Bucket toilet	0.1%		None	0.3%	
None	6.6%		Other	17.7%	

Source: Quantec, 2022

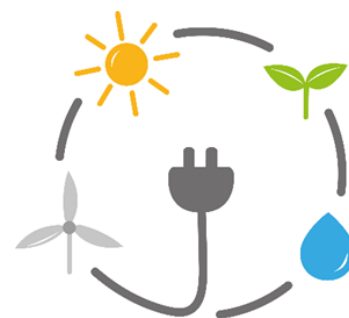
As shown in Figure 4-5, 25.5% of the households in the Thabazimbi LM have piped water within their yards and about 30.9% of households have piped water inside their dwellings. Approximately 10.1% of the households in Thabazimbi LM access water through a borehole, while the rest of the households get their water through water tankers, community stands, and even other sources such as rainwater tanks, rivers/streams, and water vendors.

In terms of access to energy, approximately 94.3% of Thabazimbi LM's households have access to electricity, which is provided by Eskom, while the about 5.3% use candles for energy. Approximately 0.1% of the households use solar energy while a minor share of the households uses other sources such as gas. Regarding sanitation, only roughly 75.1% of Thabazimbi LM's households have access to flushing toilets with sewage systems, while 24.3% of the households use pit toilets. The majority (54.1%) of the Thabazimbi LM households have their refuse removed weekly.

The above subsection suggests that besides the provision of electricity, the LM is likely to be underdeveloped and that the standards of living are fairly low. The proposed Nyala Solar Energy Facility 3 is unlikely to improve the LMs' access to basic services, however, it may indirectly impact the standards of living of the local community. The extent of its impact will be covered briefly in chapter 6 of this report and in more detail in the EIA report.

## 4.8 ENERGY ECONOMY

The supply and use of energy in societies are referred to as the energy economy. This includes investment in energy-related technologies that boost the national economy and create jobs. According to the World Bank (2019), energy is at the heart of development. It is an essential force that drives the nation's economy, manufacturing, goods transportation, and service delivery.



### South Africa's Energy Economy

In South Africa, economic and social development is centred on the energy sector. It plays a crucial role in boosting the nation's economy through its economic contributions (The South African Energy Sector Report 2019, 2022). According to the NDP, South Africa will have an energy sector that fosters economic growth and development by investing enough in energy infrastructure by the year 2030. As of 2016, coal, which is abundant and inexpensive and is considered among the lowest cost energy sources in the world, dominates the South African energy sector and is used to make most of the country's electricity. Other main sources of energy in the country include:

- crude oil and petroleum products (14%);
- natural gas (3%);
- nuclear (3%); and

- renewables (11%).

### Current Energy Crisis in South Africa

South Africa has endured recurring power interruptions known as load shedding for years. Eskom, the nation's primary provider of electricity, first announced in 2007 that it was unable to provide power to the entire country simultaneously due to deteriorating infrastructure (The culture trip, 2019). Eskom continues to implement national blackouts as of July 2022 as it struggles to meet the national energy demand. The increasing strain on infrastructure has led to South Africans experiencing daily power outages of up to nine hours, which is referred to as stage 6 load shedding (BBC News, 2022). These outages have affected many people and businesses across the nation. Some of the most prominent impacts of the current energy crisis include (Generator Parts, 2022):



Source: Eye Witness News

- Production loss and subsequent GVA reduction: Since the majority of businesses rely on electricity for lighting as well as powering machinery and other equipment required for daily operations, the outages have undermined their ability to function at full capacity.
- Declining profits and subsequent loss of employment: When there is a substantial drop in production, there is also a significant fall in profits. This, in turn, leads to businesses not being able to pay employees.
- Increased poverty: This is due to loss of employment and thus reduced living standards.
- Theft and burglary: These are as a result of loss of employment as well as the failure of burglar alarms and other forms of security during power outages.

For South Africa to have enough generating, transmission, and distribution capacity, it has been estimated that the country will need to spend close to R1.2 trillion by 2030. According to Former Eskom's CEO, Mr André de Ruyter, renewable energy is the quickest and most cost-effective method to fix the country's electricity crisis (BusinessTech, 2022).

### Renewable Energy as a Solution

As South Africa's energy crisis worsens, renewable energy has gained popularity as a potential solution (Creamer Media, 2022). The 2003 White Paper on Renewable Energy is one of the policy documents that established the framework for the promotion of renewable energy in South Africa. It encourages the move to renewable energy in order for the country to transition to a low carbon economy (Department of Mineral Resources and Energy, 2003). Renewable energy is created from naturally replenishing and endless sources. The different kinds of renewable energy include:



Source: Mining Review Africa

- bioenergy;
- geothermal energy;
- hydrogen;
- hydropower;
- marine energy;
- wind energy; and
- solar energy

Renewable energy has several benefits that impact the economy, ecology, national security, and human health. Some of the more prominent benefits include (U.S. Department of Energy, 2022):

- enhanced resilience, security, and dependability of the country's national electricity grid;
- generation of jobs in the renewable energy sectors; and
- reduced air pollution and carbon emissions from energy generation.

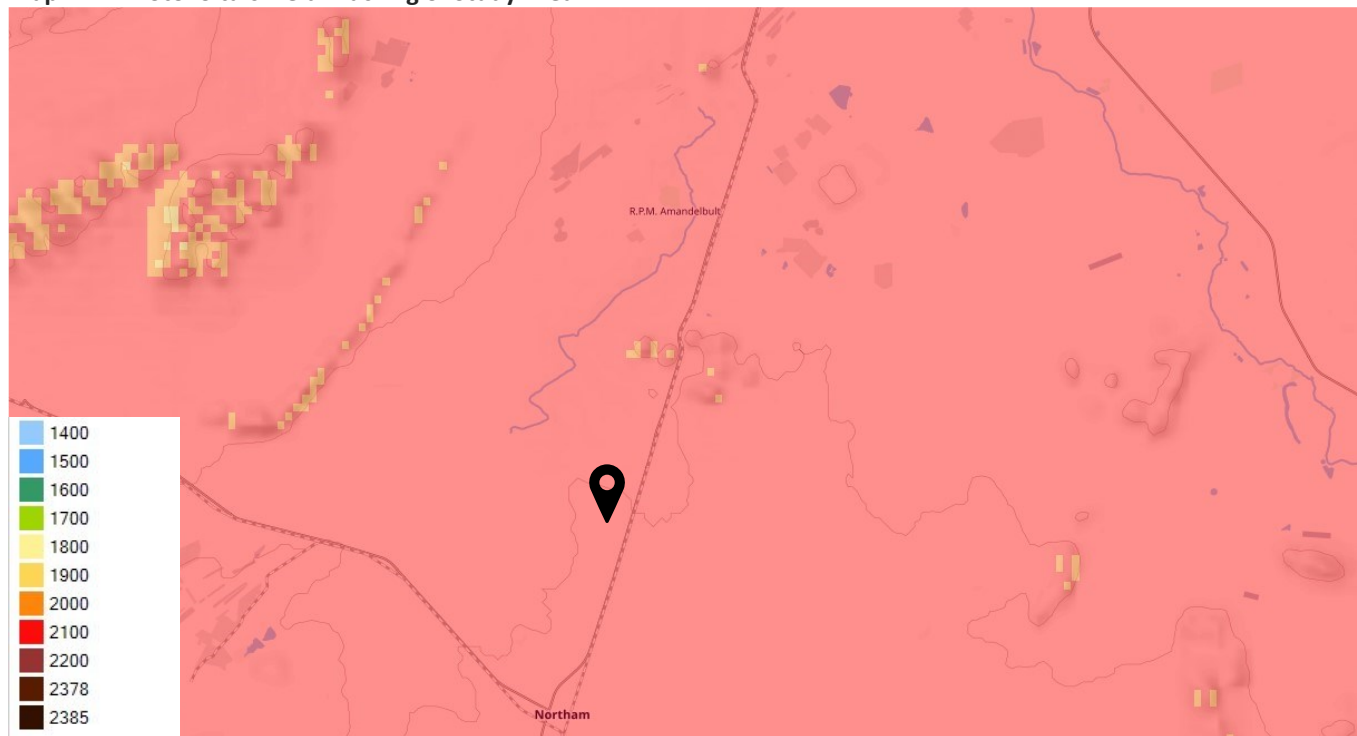
The potential for renewable energy use is abundant in South Africa, notably for wind and solar energy. According to the International Renewable Energy Agency (International Renewable Energy Agency, 2019), there is potential for wind power development across more than 80% of the country's territory with the possibility of reaching about 67 000 gigawatts. The country also has an abundance of solar energy potential with an annual sunshine duration of about 2 500 hours while the daily solar radiation intensity is between 4.5 kilowatt hours/square metre and 6.6 kWh/m<sup>2</sup>. Despite the immense potential for exploiting renewable energy, the amount of electricity produced from these sources is still very modest (Green Finance & Development Center, 2019).

#### [Solar Potential in the Limpopo Province](#)

The Limpopo province in South Africa is known for its abundant solar potential. With its location in the northern part of the country, Limpopo receives high levels of solar radiation throughout the year. This makes it an ideal region for harnessing solar energy and promoting renewable energy initiatives.

The province's solar potential is supported by its favourable climatic conditions, with hot summers and relatively mild winters. The region experiences long hours of sunshine, allowing for efficient solar energy generation. The availability of ample sunlight makes Limpopo an attractive area for solar power projects. The Limpopo provincial government recognizes the importance of solar energy in promoting sustainable development and reducing dependence on fossil fuels. Various initiatives and programs have been implemented to encourage the adoption of solar power, such as incentives for renewable energy projects, awareness campaigns, and the integration of solar technologies into government buildings and infrastructure.

**Map 4-4: Photovoltaic Yield Tracking of Study Area**



Source: Mapable, (adapted by Urban-Econ)

As can be seen in the map above, the study area is in a region with a fairly high PV yield, making it a suitable area for solar PV facilities. As a result, the installation of the Nyala Solar Energy Facility 3 seems to be advantageous given the need for more renewable energy sources and the region's potential for solar energy. However, it is crucial to consider all of the impacts that could result from the construction of a Nyala Solar Energy Facility. The impacts related to the construction of the Nyala Solar Energy Facility 3 and associated infrastructure will be briefly examined in Chapter 6 and more extensively examined in the EIA report.

## 4.9 CONCLUDING REMARKS

The chapter above highlights Thabazimbi LM's baseline profile. The profile contains details about Thabazimbi LM's history, demographics, economy, labour force, employment, and typical income levels. The baseline profile is an important aspect of the SEIA because it serves as a benchmark against which the proposed project's potential impacts can be compared. As a result, giving current information on the situation in the potentially affected area is critical in assessing both positive and negative socioeconomic impacts.

The key insights drawn from the baseline assessment show that Thabazimbi LM has a significant population of approximately 104,139 people, comprising about 14% of Waterberg DM's total population. While the population has grown, crime rates have generally decreased, except for 2021.

Education levels in Thabazimbi LM indicate a predominance of individuals with a matric qualification, which correlates with the higher proportion of low-income workers in the area. This suggests a need for job opportunities that require low to medium-level skills to improve the socio-economic conditions within the community.

The baseline assessment recognizes the importance of the energy sector for both the environment and society. Investing in renewable energy technologies not only has the potential to boost the national economy but also to create employment opportunities. Given the current energy crisis in the country, the development of renewable energy sources, such as the Nyala Solar Energy Facility 3, can enhance the resilience, security, and reliability of the national electricity grid. The proposed site for the facility benefits from a favourable solar potential, making it a suitable location for solar PV installations.

While the proposed development appears to offer opportunities to promote the green economy and generate employment for the community, a thorough impact assessment is necessary to fully understand the potential positive and negative effects. The EIA report will provide a comprehensive analysis of the development's impacts on various socio-economic factors, enabling informed decision-making and mitigation measures.

## 5 NEED AND DESIRABILITY ASSESSMENT

This chapter reviews aspects that support the need for and desirability of the Nyala Solar Energy Facility 3 development as well as red flags in the planned location that should be considered. Table 5-1 below is therefore used to illustrate these factors for the proposed Nyala Solar Energy Facility 3.

**Table 5-1: Need and Desirability Assessment**

Aspect	Comment
<b>The socio-economic context of the area based on strategic documents</b>	<p>The strategic national, provincial, and local-level documents focus on improving the lives of communities by promoting decent work and economic development, improving and expanding infrastructure and prioritising renewable energy concerns.</p> <p>The proposed Nyala Solar Energy Facility 3, with its potential to create employment opportunities and contribute to the green economy, appears to be in line with the objectives outlined in these strategic documents. By investing in renewable energy infrastructure, the project aligns with the goal of transitioning to cleaner and more sustainable energy sources.</p>
<b>Spatial characteristics</b>	<p>The proposed location for the Nyala Solar Energy Facility 3 is a portion of farm Leeuwkopje situated in Northam, covering an area of 57 hectares comprising agricultural and bush land. The site benefits from convenient accessibility, as it is located directly adjacent to the R510, which will serve as the primary route for the construction and operation of the facility. There is also a nature reserve directly adjacent to the proposed site which could be impacted by the development of the facility. As a security measure, a fence will be constructed to enclose the designated area. The chosen site presents minimal risks, given the nature of the solar energy project. However, it does pose a risk of disturbance to the main road and nature reserve it proposed to be located in proximity to.</p> <p>It is worth noting that the site is situated on land with a considerably high potential for photovoltaic (PV) energy generation. This attribute makes the location well-suited for the establishment of solar PV facilities, leveraging the abundant sunlight resources available in the area.</p>
<b>Equitable impacts in the short and long term as well as social and economically sustainable considerations</b>	<p>The proposed Nyala Solar Energy Facility 3 is expected to be operational for a minimum of 20 years. It is expected to have both short- and long-term impacts on economic and social sustainability. One of the positive identified impacts relates to its potential to provide employment opportunities to some of the region's households in the short term (during construction of the facility) and over the long term (during its operations). The proposed development will also contribute to enhancing energy resilience as it will support renewable energy development.</p>
<b>Creation of residential and employment opportunities nearby or amongst the different communities</b>	<p>The proposed project is expected to create employment opportunities at all skill levels, allowing the residents of local communities to work closer to their homes in the short and long term. Though skills capabilities still need to be assessed, it is expected that most permanent jobs will be filled by those in local communities.</p>
<b>Discouragement of urban sprawl and contribution to compaction/densification</b>	<p>The project has the potential to sustain local employment levels, providing continued job opportunities for the community. While some unemployed individuals from the local municipalities may choose to migrate to urban areas in search of opportunities, it is important to note that this migration is not directly linked to the development itself.</p>
<b>Encouragement of environmentally sustainable land development practices and processes</b>	<p>The proposed development is a Solar Energy Facility, it thus encourages the sustainable use of renewable energy. By harnessing solar power, the facility aims to contribute to the reduction of carbon emissions and the conservation of natural resources. Furthermore, the utilisation of clean and renewable energy aligns with</p>



Aspect	Comment
	the global shift towards a more sustainable future. The environmental specialists may provide additional guidance on further environmental benefits and drawbacks that the Nyala Solar Energy Facility 3 may have.
<b>Consideration of special locational factors that might favour the specific location</b>	The location of the proposed solar PV project has sufficient PV yield, making it an appropriate site for solar PV facilities. In addition, the land is currently unutilised and thus available for development.
<b>Impact on the sense of history, sense of place, and heritage of the area and the socio-cultural and cultural-historic characteristics and sensitivities of the area</b>	The proximity of the proposed location to Northam town may have visual impacts on residents, which will be further examined in the visual report. The development of the Nyala Solar Energy Facility 3 is anticipated to stimulate economic activity, leading to new developments and increased business opportunities. However, the influx of job seekers may also contribute to a potential increase in crime rates within the area.
<b>Limitations of current knowledge (gaps, uncertainties, and assumptions)</b>	This study is based only on the material provided by the client and secondary research. No interviews with the many affected parties were done (either those directly or indirectly affected); this raises the level of uncertainty as not all risks could be thoroughly investigated. Information from interested and affected parties will be obtained during the Public Participation Process.
<b>Availability of labour able to take up the job opportunities provided by the development of the Nyala Solar Energy Facility 3 and associated infrastructure</b>	As indicated in Chapter 4, the majority of the residents have low-medium skills. The employment opportunities will be for people of various skill levels during both the construction and the operation of the proposed Nyala Solar Energy Facility 3. A majority of the opportunities will be for low-semiskilled people thus the population will reasonably meet the requisite capabilities
<b>The location of job opportunities versus the location of impacts</b>	As discussed in Chapter 4, the majority of residents in the area possess low to medium skill levels. The employment opportunities associated with the construction and operation of the proposed Nyala Solar Energy Facility 3 will cater to individuals with diverse skill levels. A significant portion of these opportunities will be suitable for low to semi-skilled individuals, ensuring that the local population can reasonably meet the required capabilities.
<b>Socio-economic impacts of the development based on the socio-economic context</b>	The proposed development is anticipated to have both positive and negative socio-economic impacts. The construction and operation of the Nyala Solar Energy Facility 3 will stimulate the economy, leading to increased household income and tax revenue. It will generate temporary employment during the construction phase and provide long-term, sustainable employment for at least 20 years during operations. Furthermore, the project's focus on renewable energy will contribute to sustainable practices. Additionally, the facility has the potential to support the growth of small businesses in the area, further benefiting the local economy.

## 6 NYALA SOLAR ENERGY FACILITY 3 AND ASSOCIATED INFRASTRUCTURE PRELIMINARY SOCIO-ECONOMIC IMPACT EVALUATION

A socio-economic study's main purpose is to conduct an effective evaluation and promote socio-economic development. The most significant implications identified during the analysis of the project background and current socio-economic environment relating to the proposed Nyala Solar Energy Facility 3 and associated infrastructure are discussed in this chapter. The socio-economic impact analysis will determine the impacts caused during the building and operational phases of the proposed project. The impacts identified are envisaged to be investigated in greater detail during the EIA phase.

### 6.1 Stimulation of Socio-Economic Impacts During Construction

This subsection highlights the socio-economic impacts during the construction phase of the proposed project. The construction phase encompasses the actual building process as well as all related tasks such as landscaping, refurbishment, site clearance, and destruction. The following socio-economic impacts are likely to occur during the construction phase:

#### 1) Temporary stimulation of the provincial economy and growth in the regional Gross Value Added (GVA).

The proposed development is anticipated to have a CAPEX of approximately R 1 billion. Some of this is expected to be spent in South Africa, which will resultantly stimulate the national economy, although for a temporary period of about twelve months during the construction of the Solar PV.

During the construction phase of the project, it is anticipated that there will be more economic activity in the area, and a temporary boost in economic opportunities will be created, thus temporarily stimulating the economy and growth in the regional GVA. This economic stimulation can be attributed to several factors that include but are not limited to:

- **Local Procurement:** The construction process may involve the procurement of various goods and services, such as construction materials, equipment, and supplies. Local businesses and suppliers could benefit from these procurement needs, stimulating economic activity and fostering local entrepreneurship.
- **Indirect Economic Effects:** The construction of the proposed Nyala Solar Energy Facility 3 can have indirect effects on the local economy by generating increased demand for services in related sectors. Local businesses, including restaurants, accommodations, and service providers, may experience heightened demand from workers and personnel involved in the construction activities. This ripple effect can have a multiplier effect on the local economy, further contributing to its growth.

Overall, these factors have the potential to create a temporary stimulation in the economy and foster growth in the regional Gross Value Added (GVA).

## 2) Temporary employment creation in local communities.

During the construction and site preparation phase of the proposed Nyala Solar Energy Facility 3, a diverse range of workers (roughly 100 workers) with different skill levels, including unskilled, semi-skilled, and skilled individuals, are expected to be employed. This will create temporary employment opportunities for the local communities. Approximately 60% of the employment opportunities will be for low-skilled workers, 25% for semi-skilled workers, and 15% for skilled workers. This temporary increase in employment will not only enhance household incomes but also have a positive multiplier effect, as the additional income circulates within the local economy, stimulating further economic growth.

## 3) Temporary change to the sense of place.

The construction of the proposed Nyala Solar Energy Facility 3 is expected to bring about a negative change in the surrounding area's ambiance. This can be attributed to the increased presence of people and ongoing construction activities. As a result, potential impacts such as dust, noise, and pollution may arise from these construction activities.

The proximity of the proposed Nyala Solar Energy Facility 3 to the main road may lead to disruptions, including increased traffic and potential glare from the solar panels during the setup phase. Additionally, the construction activities are expected to have similar impacts on the adjacent nature reserve, necessitating careful planning and mitigation measures to minimize any adverse effects and preserve the integrity of the reserve.

## 4) Temporary increase in crime and social conflicts associated with influx (or removal) of people.

The preparation of the proposed Nyala Solar Energy Facility 3 may result in perceptions that there are increased opportunities. The community may be disappointed by the low number of jobs created during the preparation of the site. Thus, the influx of an outside workforce and potential job seekers could impact the crime levels in the area and/or opportunist criminals make use of the presence of these workers to undertake criminal activities.

## 5) Impact on the environment.

During the construction phase of the proposed Nyala Solar Energy Facility 3, there will be some negative environmental impacts to consider. One significant impact is the reduction of trees in the bush land areas, which may disrupt local ecosystems and wildlife habitats. Additionally, the construction activities may lead to a loss of cultivated and grazing land, affecting agricultural activities in the area.

Moreover, the construction phase poses potential risks of contamination, including water, dust, and air pollution. These contaminants can have adverse effects on the surrounding environment, potentially affecting water sources, air quality, and overall ecosystem health.

Considering the construction activities involved in the proposed Nyala Solar Energy Facility, the expected impacts are primarily minor and short-term, encompassing a mix of positive and negative effects. These impacts will mainly be confined to the local area, highlighting the need to minimize their potential consequences.

To address this, maintaining or enhancing security measures around the designated site area is crucial. By doing so, any potential negative impacts can be effectively managed and mitigated. It is also important to ensure that environmental factors are contained within the boundaries of the proposed facility. Implementing effective mitigation measures will prevent degradation and promote long-term environmental sustainability. By prioritising these measures, the development can achieve its objectives while minimizing any potential adverse effects on the surrounding environment and community.

## 6.2 Stimulation of Socio-Economic Impacts During Operation

This subsection highlights the socio-economic impacts during the operations phase of the proposed Nyala Solar Energy Facility 3. The operations phase is when the land site will be fully functioning with day-to-day tasks. The following socio-economic impacts are likely to occur during the operational phase:

### 1) Employment creation in local communities.

The operational phase of the proposed Nyala Solar Energy Facility 3 is projected to generate approximately 8 full-time employment positions, with a distribution of roughly 70% low skilled, 25% semi-skilled, and 5% skilled opportunities. Beyond these direct employment prospects, the operation of the solar energy facility can also have indirect employment effects on other sectors of the local economy.

These indirect effects encompass the demand for auxiliary services such as transportation, maintenance, and security, which can lead to the creation of additional job opportunities for local businesses. This multiplier effect stimulates economic growth and supports the development of a more robust and diversified local economy.

### 2) Local economic development benefits

During the operational phase of the project, there is expected to be a slight economic boost to the local community due to increased economic activities associated with the development. This economic stimulation can be attributed to several factors:

- **Employment opportunities:** The creation of employment opportunities directly benefits the community by generating income for households. The income earned by workers is likely to be spent within the local economy, contributing to economic growth and fostering local livelihoods.
- **Increased Tax Revenue:** The operation of the proposed Nyala Solar Energy Facility 3 can generate tax revenue for the local government through various means, such as property taxes, and other associated taxes. This additional revenue can contribute to public services and infrastructure development in the region.
- **Indirect Economic Effects:** The presence of a solar energy facility can indirectly stimulate economic activity in related sectors. Local businesses, such as restaurants, accommodations, and service providers, may experience increased demand from the workers and personnel involved in the Nyala Solar Energy Facility 3 management, leading to a multiplier effect on the local economy.

### 3) Impact on the environment.

The operation of the proposed Nyala Solar Energy Facility 3 is expected to have some environmental impacts, particularly in relation to the reduction of trees in the bush land areas. This loss of vegetation can have implications for biodiversity and ecosystem services. However, it is important to note that solar energy facilities, in general, have a smaller environmental footprint compared to traditional thermal and coal-powered energy sources.

One notable positive impact of the solar facility is the potential improvement in air quality. Solar energy generation produces electricity without emitting greenhouse gases or other harmful pollutants, thereby contributing to a cleaner and healthier environment. By reducing reliance on fossil fuels, the solar facility helps mitigate air pollution and supports efforts to combat climate change.

### 4) Change in sense of place.

The construction and operation of the facility can bring about changes to the landscape and visual aesthetics of the region. The introduction of a large-scale solar energy facility may alter the existing character and perception of the area.

During the operational phase of the proposed Nyala Solar Energy Facility 3, there are several long-term benefits to consider, such as sustained employment opportunities and economic development. The ongoing operation of the solar facility can contribute to the local economy by providing stable jobs and fostering economic growth in the region.

However, it is crucial to acknowledge and address potential negative impacts that may arise during this phase. One significant concern is the potential loss of trees and natural habitats due to the construction and operation

of the solar facility. The clearing of land for the installation of solar panels and associated infrastructure can result in deforestation and habitat fragmentation, which can have adverse effects on local ecosystems and biodiversity.

By prioritising mitigation initiatives and addressing potential negative impacts, the operational phase of the Nyala Solar Energy Facility 3 can be carried out in a manner that balances the benefits of renewable energy generation with environmental sustainability. This approach supports the long-term viability of the facility while minimizing its ecological footprint and preserving the integrity of the local environment.

### 6.3 Concluding Remarks

Chapter 6 of the report focuses on the potential impacts of the proposed Nyala Solar Energy Facility 3 on the local community throughout its construction and operational phases. The findings reveal that if the proposed extension is authorised and well-designed, it is expected to have minimal impacts due to its nature.

While the primary study area has a growing population in need of employment opportunities, it is anticipated that only a limited number of jobs will be created by the proposed Nyala Solar Energy Facility 3. Consequently, the current socio-economic circumstances are likely to remain largely unchanged. However, the employment opportunities that do emerge would be valuable to the community, particularly considering the high levels of unemployment and low-income levels in the region.

The primary negative impact associated with the proposed Nyala Solar Energy Facility 3 is the deforestation required to accommodate its construction. However, reforestation efforts in nearby areas could help mitigate these impacts.

Furthermore, the influx of individuals seeking employment during the construction and operation of the solar facility may have implications for local crime rates. It is essential to address these concerns through comprehensive security measures and community engagement, ensuring the safety and well-being of both residents and workers.

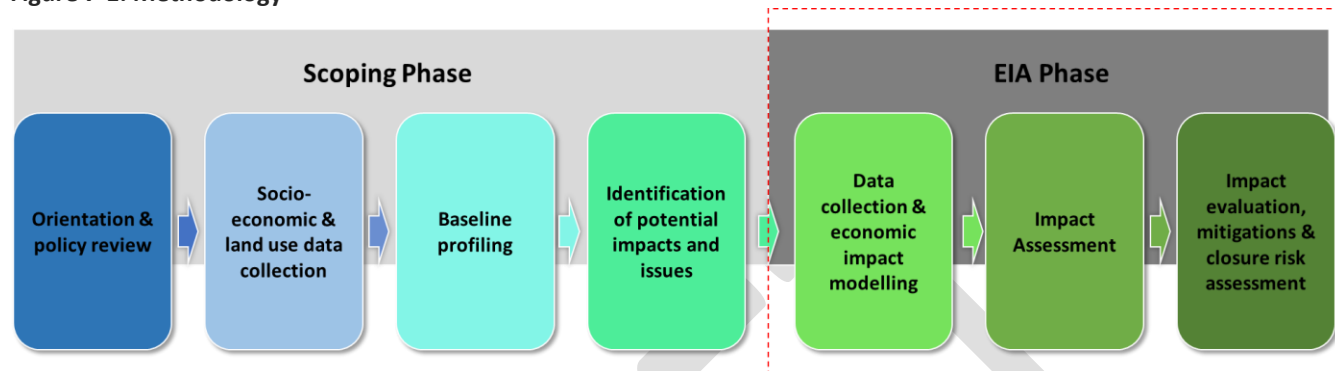
By acknowledging and addressing these potential negative impacts, the proposed Nyala Solar Energy Facility 3 can be developed in a manner that minimizes environmental harm, respects the local sense of place, and provides valuable employment opportunities for the community.

To comprehensively assess the magnitude of each impact, a thorough impact assessment will be conducted during the Environmental Impact Assessment (EIA) phase of the report. This assessment will provide a deeper understanding of the potential consequences and inform appropriate mitigation measures.

## 7 NEXT STEPS: EIA PHASE

As mentioned in Chapter 1 of this report, the current study is primarily focused on activities in the scoping phase. The next phase will be the EIA phase in line with the EIA process, as shown below.

Figure 7-1: Methodology



Source: Urban Econ

The purpose of the EIA phase is to go into deeper detail regarding the socio-economic impacts that the proposed project will have on the community. Table 7-1 outlines the activities and tasks that will be completed during the next phase of the EIA.

Table 7-1: Next Steps (EIA Phase)

Steps	EIA Phase Description
<b>Step 1: Updating of the baseline information</b>	The purpose of this step is to update the information in the baseline profile to ensure it is current and reflective of the reality on the ground. This is done in consultation with the applicant and with reference to inputs received from other specialists after the scoping phase process is concluded.
<b>Step 2: Project data collection and economic impact modelling</b>	<p>The purpose of this step is to collect data related to the project, specifically its economic and job creation parameters. An economic modelling exercise using the social accounting matrix can also be undertaken to determine the potential economic benefit of the project throughout the local and national economies. For this purpose, through a discussion with the Applicant, information on the expenditure during various project stages would be collected. Such information would include, inter alia:</p> <ul style="list-style-type: none"> <li>• construction costs and operational expenditure;</li> <li>• intermediate inputs required and the percentage of imports within the total project spending;</li> </ul> <p>data concerning the distribution of procurement of intermediate inputs among local areas, provinces, and South Africa;</p> <ul style="list-style-type: none"> <li>• skills requirements; and</li> <li>• the number of people to be employed during construction and operation.</li> </ul> <p>Following the data gathering process, potential economic impacts derived from the potential costs and benefits of the project will be identified. These will then be quantified in monetary terms to be used in further modelling exercises. Using quantified potential costs and benefits of the project, a modelling exercise to determine the indirect and induced effects of the activities, either positive or negative, will be undertaken. Modelling of impacts will be done using economic</p>



Steps	EIA Phase Description
	<p>models developed based on the provincial and national social accounting matrices. Impacts determined through the modelling exercise will include impacts on production, value-added, employment, household income, and government revenue. A differentiation will be made between impacts that are expected to take place within the local municipality, those that will affect the province, and impacts felt in the rest of the country.</p>
<p><b>Step 3: Impact assessment</b></p>	<p>The purpose of this step is to analyse the social and economic implications of the proposed development for the affected community. The analysis also considers the implications of the installation for the economy at a macro, regional, and micro(site) level. For each phase of the project's life span, the following groups of impacts will be examined:</p> <ul style="list-style-type: none"> <li>• impacts directly associated with the construction and operation, where applicable;</li> <li>• secondary impacts that involve changes in the community structure as well as economic activities in the environment directly or indirectly affected by the development, as applicable to the site; and</li> <li>• cumulative impacts that consider other projects or developments.</li> </ul> <p>The types of impacts that will be covered under the above-mentioned groups will include:</p> <ul style="list-style-type: none"> <li>• natural capital;</li> <li>• human capital;</li> <li>• physical capital;</li> <li>• financial capital; and</li> <li>• institutional and political capital.</li> </ul> <p>The impact assessment undertaken will assist in identifying high-level impacts for the proposed site, highlighting the greatest benefit and minimising potential negative effects.</p>
<p><b>Step 4: Impact evaluation, mitigations, and closure risk assessment</b></p>	<p>All socio-economic impacts identified will be assessed and categorised in line with the rating provided by the environmental specialist. A mitigation plan will be formulated whereby recommendations to reduce or eliminate the potential negative effects on the affected parties and enhance positive impacts will be provided.</p>

## 8 CONCLUSION

The proposed Nyala Solar Energy Facility 1 is a 55 MW solar which will be located on 53ha of land near Northam, Thabazimbi LM. The proposed development complies with numerous national legislations concerning matters which are key to the sustainable development of the national economy.

The closest community to the site is the community of Northam which is located approximately 1.5km from the proposed site. The site is located directly adjacent to the R510 which connects the site to major cities such as Rustenburg.

The proposed development area is surrounded by diverse land types, including bush land, temporary cultivated land, and unimproved land consisting of clumps of vegetation. The chosen location for the proposed Nyala Solar Energy Facility 3 is on land with low to moderate land capacities, indicating limited agricultural potential. Therefore, the establishment of the solar facility is not expected to impact agricultural activities in the area.

This report encompasses a needs and desirability assessment, which examines the factors supporting the development of Nyala Solar Energy Facility 3. The assessment includes an evaluation of both the positive and negative impacts that are likely to emerge during the construction and operation of the proposed project. The chapter emphasises the potential positive effects such as increased green energy, employment opportunities and economic growth, while also acknowledging the various negative social impacts that may arise, such as deforestation and an increase in crime due to the influx of job seekers. To determine the overall impact of the proposed project on the community, it is vital to assess the significance of each impact. As a result, further investigation of the identified impacts will be conducted during the EIA Impact assessment phase

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DRAFT



## environmental affairs

Department:  
Environmental Affairs  
REPUBLIC OF SOUTH AFRICA

### DETAILS OF THE SPECIALIST, DECLARATION OF INTEREST AND UNDERTAKING UNDER OATH

File Reference Number:	(For official use only)
NEAS Reference Number:	DEA/EIA/
Date Received:	

Application for authorisation in terms of the National Environmental Management Act, Act No. 107 of 1998, as amended and the Environmental Impact Assessment (EIA) Regulations, 2014, as amended (the Regulations)

#### PROJECT TITLE

Nyala 3 Solar Energy Facility

#### Kindly note the following:

1. This form must always be used for applications that must be subjected to Basic Assessment or Scoping & Environmental Impact Reporting where this Department is the Competent Authority.
2. This form is current as of 01 September 2018. It is the responsibility of the Applicant / Environmental Assessment Practitioner (EAP) to ascertain whether subsequent versions of the form have been published or produced by the Competent Authority. The latest available Departmental templates are available at <https://www.environment.gov.za/documents/forms>.
3. A copy of this form containing original signatures must be appended to all Draft and Final Reports submitted to the department for consideration.
4. All documentation delivered to the physical address contained in this form must be delivered during the official Departmental Officer Hours which is visible on the Departmental gate.
5. All EIA related documents (includes application forms, reports or any EIA related submissions) that are faxed; emailed; delivered to Security or placed in the Departmental Tender Box will not be accepted, only hardcopy submissions are accepted.

#### Departmental Details

##### Postal address:

Department of Environmental Affairs  
Attention: Chief Director: Integrated Environmental Authorisations  
Private Bag X447  
Pretoria  
0001

##### Physical address:

Department of Environmental Affairs  
Attention: Chief Director: Integrated Environmental Authorisations  
Environment House  
473 Steve Biko Road  
Arcadia

Queries must be directed to the Directorate: Coordination, Strategic Planning and Support at:  
Email: [EIAAdmin@environment.gov.za](mailto:EIAAdmin@environment.gov.za)



## 1. SPECIALIST INFORMATION

Specialist Company Name:	Urban-Econ Development Economists		
B-BBEE	Contribution level (indicate 1 to 8 or non-compliant)	2	Percentage Procurement recognition
Specialist name:	Louis Calitz		
Specialist Qualifications:	B.Com Hons (Business Communication), B.Com (Marketing) <ul style="list-style-type: none"><li>Economic Planning Unit Manager</li><li>18y Experience</li></ul>		
Professional affiliation/registration:	N/A		
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E-mail:	<a href="mailto:louis@urban-econ.com">louis@urban-econ.com</a>		

## 2. DECLARATION BY THE SPECIALIST

I, \_\_\_\_\_ Louis Calitz \_\_\_\_\_, declare that –

- 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

Urban-Econ Development Economists

Name of Company:

19/05/2023

Date

Details of Specialist, Declaration and Undertaking Under Oath

### 3. UNDERTAKING UNDER OATH/ AFFIRMATION

I, Louis Calitz, swear under oath / affirm that all the information submitted or to be submitted for the purposes of this application is true and correct.

*L*

Signature of the Specialist

Urban-Econ Development Economists

Name of Company

19/05/2023

Date

*L. Gagliano*

Signature of the Commissioner of Oaths

*19/05/2023*

Date

"I certify that the DEPONENT has acknowledged that he/she knows and understands the contents of this affidavit, that he/she does not have any objection to taking the Oath, and that he/she considers it to be binding on his/her conscience, and which was sworn to and

signed before me at Ireland on this the 19<sup>th</sup> day of May, and that the administering oath, complied with the regulations contained in Government Gazette No. R1258 of 21 July 1972, as amended."



**LIEZEL GAGIANO**  
Commissioner of Oaths  
HR Associate (HRA)  
Member number: 82113662  
137 Muckleneuk Street,  
Brooklyn,  
0181

