

Proponent: **COZA MINING PTY LTD**

Project: **COZA IRON ORE PROJECT**

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## **PROJECT INFORMATION SHEET**

### **PROJECT:**

**COZA IRON ORE PROJECT**

### **REPORT DETAILS**

Report Name: SOCIAL IMPACT ASSESSMENT

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# COZA MINING PTY LTD

## COZA IRON ORE PROJECT

### SOCIAL IMPACT ASSESSMENT REPORT

## 1 INTRODUCTION

Coza Mining (Pty) Ltd is planning to develop an iron ore mine approximately 10 km north-northwest of Postmasburg Town in the Tsantsabane Local Municipality of the Northern Cape Province. The proposed development will be located on Farm Doornpan 445 (Portion 1 and 2) (Doornpan) (Refer to Figure 1.1). The COZA Iron Ore Project will be a Greenfields project which will involve open pit mining by means of a truck and shovel operation. Mined ore will be crushed; screened and blended on site prior to being transported for further processing at an offsite location (this area does not form part of this assessment). The processed ore will then be transported via rail to the ArcelorMittal (AMSA) steel refineries.

The proposed development will be located on land currently owned by the Maremane Property Association, which may be impacted by the project. The project will result in social impacts, as a result, a Social Impact Assessment has been undertaken for the proposed project in order to advise the Environmental Impact Assessment (EIA) process.

Synergistics Environmental Services (Pty) Ltd (now part of the SLR Group of companies) has been appointed to undertake a Social Impact Assessment as part of the EIA to be submitted to the relevant authority for review and approval.

## 2 PROJECT DESCRIPTION

The proposed COZA Iron Project will involve the mining of iron ore from an open pit to be located on Farm Doornpan. The proposed development will be a green-fields project with an estimated area of disturbance of 159 ha. A preliminary layout plan has been developed for the Doornpan mining area (refer to Figure 1.2).

Mining from the pit will be undertaken by means of truck and shovel. It is estimated that the pit will reach an average depth of 80 -100m below surface. Mining will involve the following activities:

- Site clearance which will involve the removal of vegetation within the mine footprint
- Removal of available soils and stockpiling at designated areas for rehabilitation purposes;
- Drilling and blasting of overburden material;
- Loading and haulage of overburden to the waste rock dump site within the mine infrastructure areas; and
- Dewatering of the mine by means of dewatering boreholes.

Following a preliminary resource estimation process, it is estimated that 1.7 million tons of ore is available to be mined at Doornpan.

Processing activities, including crushing, screening, and blending will take place on site in designated areas adjacent to the pit. Crushed ore will then be blended prior to transport off-site where it will be further processed. No tailings facilities will therefore be required at the mine.

The existing gravel access roads linking to the R325 will be upgraded to cater for operational phase traffic. Upgrading activities will include widening and lengthening of gravel roads. In addition, a number of haul roads will be constructed to link the pit, waste rock dump, crushing and screening plant, offices and waste storage facilities.

Water for mining activities will be sourced from pit dewatering activities at the mine. Dewatering will be undertaken by means of dewatering boreholes, which will be drilled around the proposed pit footprint during the construction phase. It is estimated that approximately 220 m<sup>3</sup>/day of water will be extracted from the dewatering boreholes throughout the construction and operation phases of the project

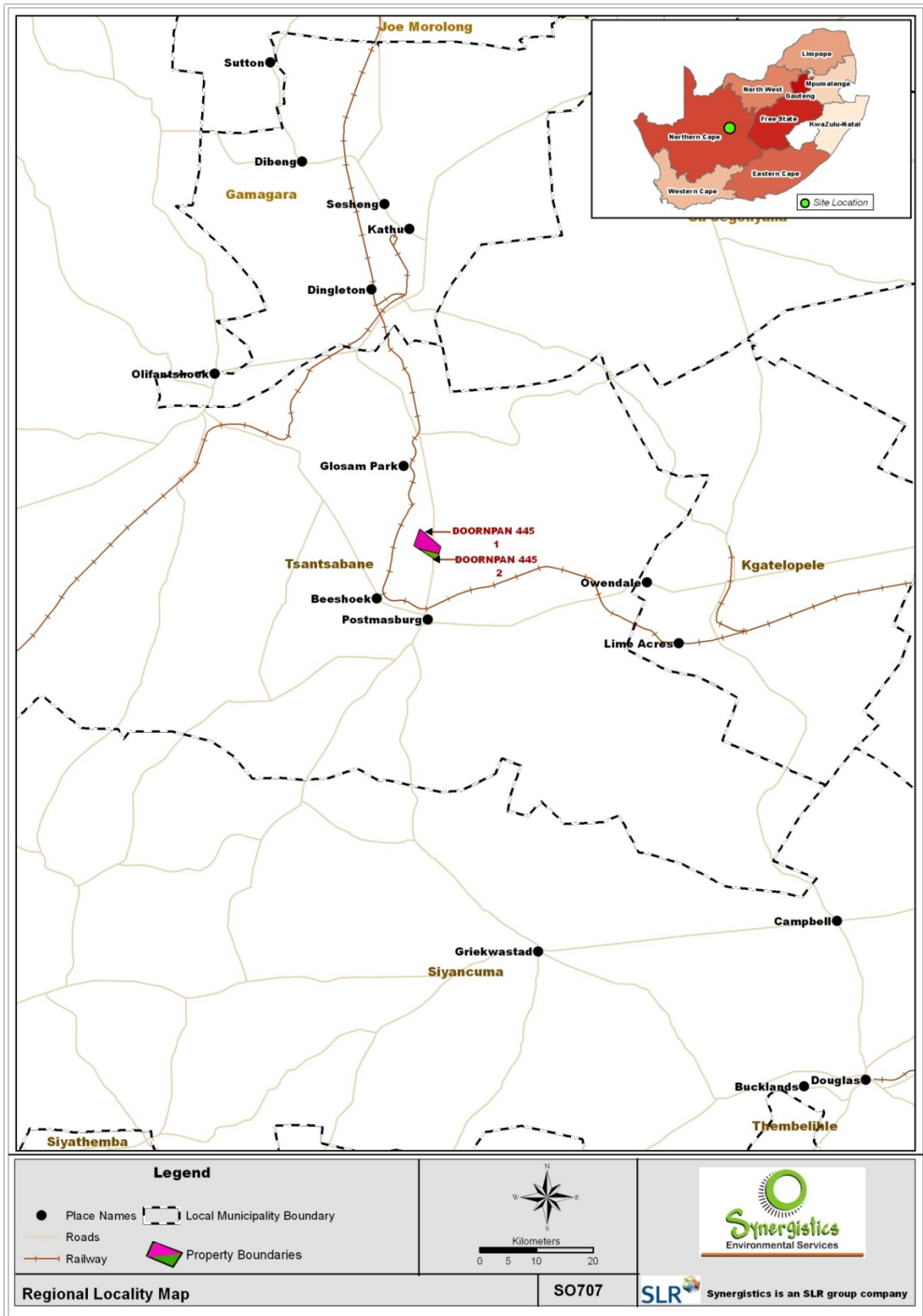


Figure 2.1: Regional Locality of the Coza Iron Ore Project

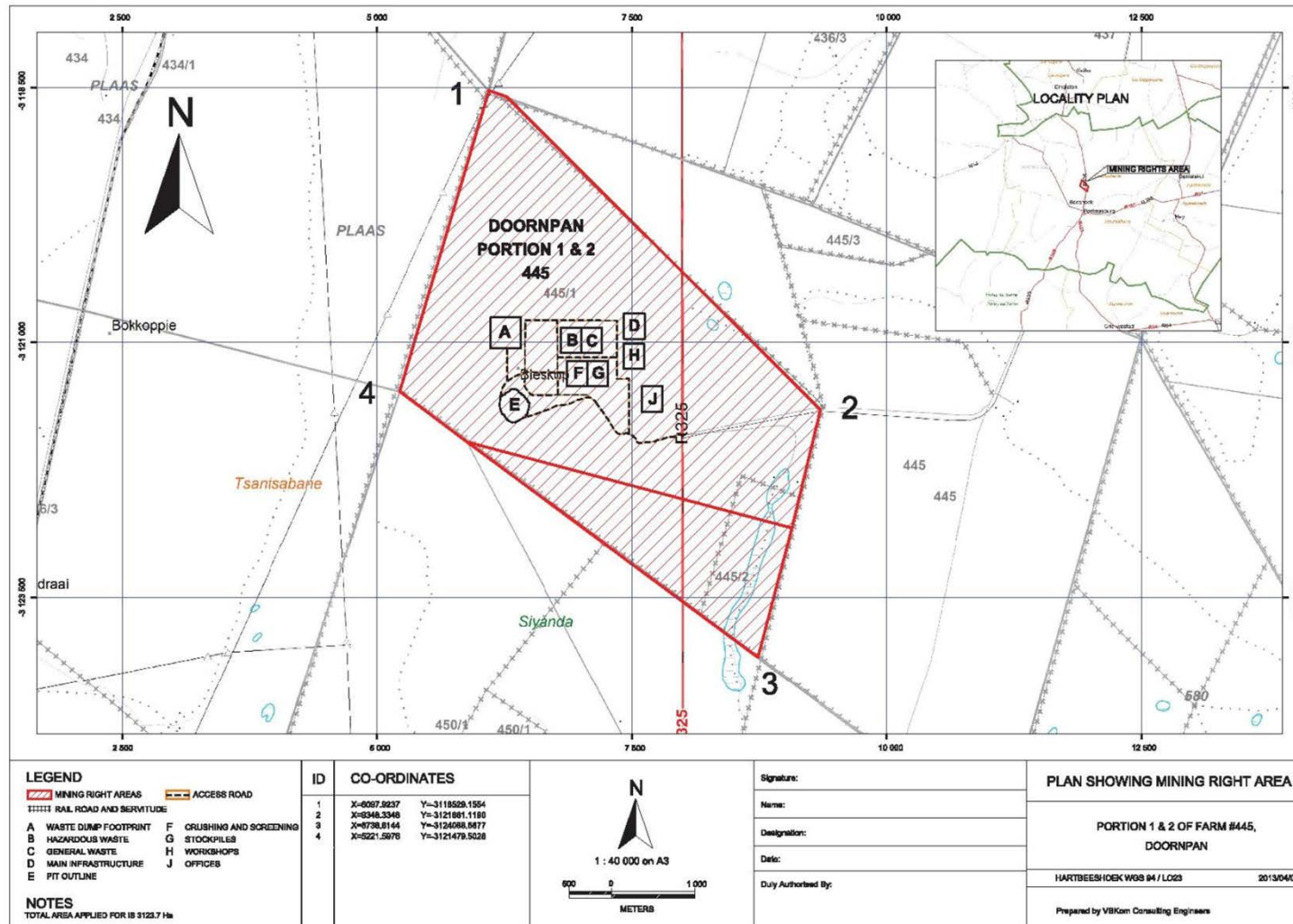


Figure 2.2: Layout of the COZA Iron Ore Project



### **3 APPROACH AND METHOD**

Below is the description of approach and methods applied when conducting the Social Impact Assessment.

#### **3.1 Study Objectives**

This assessment forms a specialist study in support of the environmental impact assessment process for the COZA Iron Ore Project. The assessment was undertaken to advise the EIA of the social impacts of the project. The objectives of the study were therefore to:

- To understand the baseline social conditions of the study area
- To identify aspects of the project that are likely to give rise to social impacts
- To establish the potential social impacts of the COZA Iron Ore Project
- To identify mitigation and management measures for social impacts

#### **3.2 Collation of Baseline Data**

##### **3.2.1 Site Visit**

Synergistics undertook a site visit on 9-10 may 2013. The purpose of the visit was to establish social baseline conditions as well as to identify stakeholders for the project. Surrounding land uses were also identified during this visit. The Maremane Community were identified as the major stakeholders for the project. T

##### **3.2.2 Document Review**

In order to gain in depth knowledge of the social background, a review of relevant documents was undertaken. Documents such as the Tsantsabane Integrated Development Plan and publicly available EIA's for surrounding mines and statistics data for the area were reviewed. Minutes of public meetings that have been held for the Coza Iron Ore Project were also reviewed. An Economic Impact Assessment was undertaken for the COZA Iron Ore Project and information contained in the report was also used for the Social Impact Assessment.

### 3.2.3 Stakeholder Engagement

Meetings were held on the 23 of May 2013 during the Scoping phase for the Coza Iron Ore Project. During these meetings, stakeholder raised concerns and provided further information on the social baseline of the area. An informal telephonic interview was held with Mrs Hilda Sibanda to obtain information on access to basic services for the Maremane Community.

### 3.2.4 Impact Assessment Methodology

The criteria used for the assessment of impacts is presented in Table 2.1 below

**Table 2.1: Criteria for assessing impacts**

*Note: Part A provides the definition for determining impact consequence (combining severity, spatial scale and duration) and impact significance (the overall rating of the impact). Impact consequence and significance are determined from Part B and C. The interpretation of the impact significance is given in Part D.*

<b>PART A: DEFINITION AND CRITERIA*</b>					
<b>Definition of SIGNIFICANCE</b>		<b>Significance = consequence x probability</b>			
<b>Definition of CONSEQUENCE</b>		<b>Consequence is a function of severity, spatial extent and duration</b>			
<b>Criteria for ranking of the SEVERITY of environmental impacts</b>	<b>H</b>	Substantial deterioration (death, illness or injury). Recommended level will often be violated. Vigorous community action.			
	<b>M</b>	Moderate/ measurable deterioration (discomfort). Recommended level will occasionally be violated. Widespread complaints.			
	<b>L</b>	Minor deterioration (nuisance or minor deterioration). Change not measurable/ will remain in the current range. Recommended level will never be violated. Sporadic complaints.			
	<b>L+</b>	Minor improvement. Change not measurable/ will remain in the current range. Recommended level will never be violated. Sporadic complaints.			
	<b>M+</b>	Moderate improvement. Will be within or better than the recommended level. No observed reaction.			
	<b>H+</b>	Substantial improvement. Will be within or better than the recommended level. Favourable publicity.			
<b>Criteria for ranking the DURATION of impacts</b>	<b>L</b>	Quickly reversible. Less than the project life. Short term			
	<b>M</b>	Reversible over time. Life of the project. Medium term			
	<b>H</b>	Permanent. Beyond closure. Long term.			
<b>Criteria for ranking the SPATIAL SCALE of impacts</b>	<b>L</b>	Localised - Within the site boundary.			
	<b>M</b>	Fairly widespread – Beyond the site boundary. Local			
	<b>H</b>	Widespread – Far beyond site boundary. Regional/ national			
<b>PART B: DETERMINING CONSEQUENCE</b>					
<b>SEVERITY = L</b>					
<b>DURATION</b>	Long term	<b>H</b>	Medium	Medium	Medium
	Medium term	<b>M</b>	Low	Low	Medium
	Short term	<b>L</b>	Low	Low	Medium
<b>SEVERITY = M</b>					
<b>DURATION</b>	Long term	<b>H</b>	Medium	High	High
	Medium term	<b>M</b>	Medium	Medium	High
	Short term	<b>L</b>	Low	Medium	Medium
<b>SEVERITY = H</b>					
<b>DURATION</b>	Long term	<b>H</b>	High	High	High
	Medium term	<b>M</b>	Medium	Medium	High
	Short term	<b>L</b>	Medium	Medium	High
			<b>L</b>	<b>M</b>	<b>H</b>
			Localised Within site boundary Site	Fairly widespread Beyond site boundary Local	Widespread Far beyond site boundary Regional/ national
<b>SPATIAL SCALE</b>					

PART C: DETERMINING SIGNIFICANCE					
PROBABILITY (of exposure to impacts)	Definite/ Continuous	H	Medium	Medium	High
	Possible/ frequent	M	Medium	Medium	High
	Unlikely/ seldom	L	Low	Low	Medium
			L	M	H
CONSEQUENCE					

PART D: INTERPRETATION OF SIGNIFICANCE	
Significance	Decision guideline
High	It would influence the decision regardless of any possible mitigation.
Medium	It should have an influence on the decision unless it is mitigated.
Low	It will not have an influence on the decision.

\*H = high, M= medium and L= low and + denotes a positive impact.

## **4 DESCRIPTION OF THE SOCIAL ENVIRONMENT**

### **4.1 Description of Local Communities**

#### **4.1.1 Land Tenure**

The proposed project is located on land owned by the Maremane Community. The land is registered under the Maremane Communal Property Association (MCPA). The MCPA represents members of the community that have legal right over the land. Mr. More Mastididi was consulted as a representative of the community, however consultations with the other members of the Maremane community have revealed that there are other members of the CPA that need to be consulted. Synergistics consulted with the DALRD to establish members of the CPA and it was confirmed that Mr. Mastididi was in fact the relevant representative. In addition Mr. Tshwaro Mothlabedi was identified as another representative to be consulted.

#### **4.1.2 Maremane Community**

Members of the Maremane community were dispossessed of their land for the purposes of establishing the Lohatla Military Base in the 1970's. The displaced people were taken to places such as Laxey, Pepsi and the surrounding areas of Kuruman (The New Age, 24 April 2012). According to the Rural Development and Land Reform's former deputy minister in 2010 Mr Thulas Nxesi, the Maremane community lost approximately 12 million hectares of land (South African Government Information, 4 December 2010). Post 1994 the community lodged a claim to have their land returned and in 2010 the community was handed over 11 200 ha of land on properties surrounding the military base. Figure 4.1 illustrates areas where some members of the Maremane Community are currently located near the study area. The majority of the people are currently residing in an informal settlement located on Farm Lohatla this settlement area is currently referred to as "Lohatla" by its inhabitants. There are little economic activities occurring in the area except for a local shop and a crèche. During the public meeting held with the community, it was evident that the unemployment rate is low. There are also a small number of people forming part of the Maremane community located on Farm Driehoekspan. This group of people is involved in agricultural activities (goat and sheep farming).

The current areas where the Maremane community are residing are not included in the local municipality's town planning scheme and therefore there are some challenges with service delivery.

### 4.1.3 Farming Community

Two local farmers who are involved in low intensity stock farming (cattle and sheep) also surround the study area (see Figure 4.1 for location of farmers). There is a game farms approximately 6 km northeast of Driehoekspan.

### 4.1.4 Current Land use

The study area is within a rural district, zoned for agricultural use. The dominant land use in the area surrounding the COZA Iron Ore project is livestock farming. Due to the arid nature of the climate, intensive commercial agriculture is not possible. There is also human settlement to the east and northern of the study areas, these include two local farmers and the Maremane Community. Mining activities and the infrastructure associated with mining activities (powerlines and railway) are also prevalent in the area, due to the presence of iron ore.

The Transnet freight railway line linking Beeshoek Mine to Sishen Mine and ultimately to the Sishen Saldanha export line is located west of Doornpan's proposed mining area is. There are a number of abandoned buildings associated with the railway line on Farm Driehoekspan.

The R325 to Kathu crosses farm Doornpan east of the proposed mining area. Approximately 10 km northeast of the project area is the Lohatla Military Base, which is used as a training area for the South African National Defence Force. The military base is located in an area that was proclaimed as a nature reserve (Ga-Thlose Nature Reserve) in 1890. Part of the farm where the military base is located is now currently used as a game park (see Figure 4.1 for the current land use).

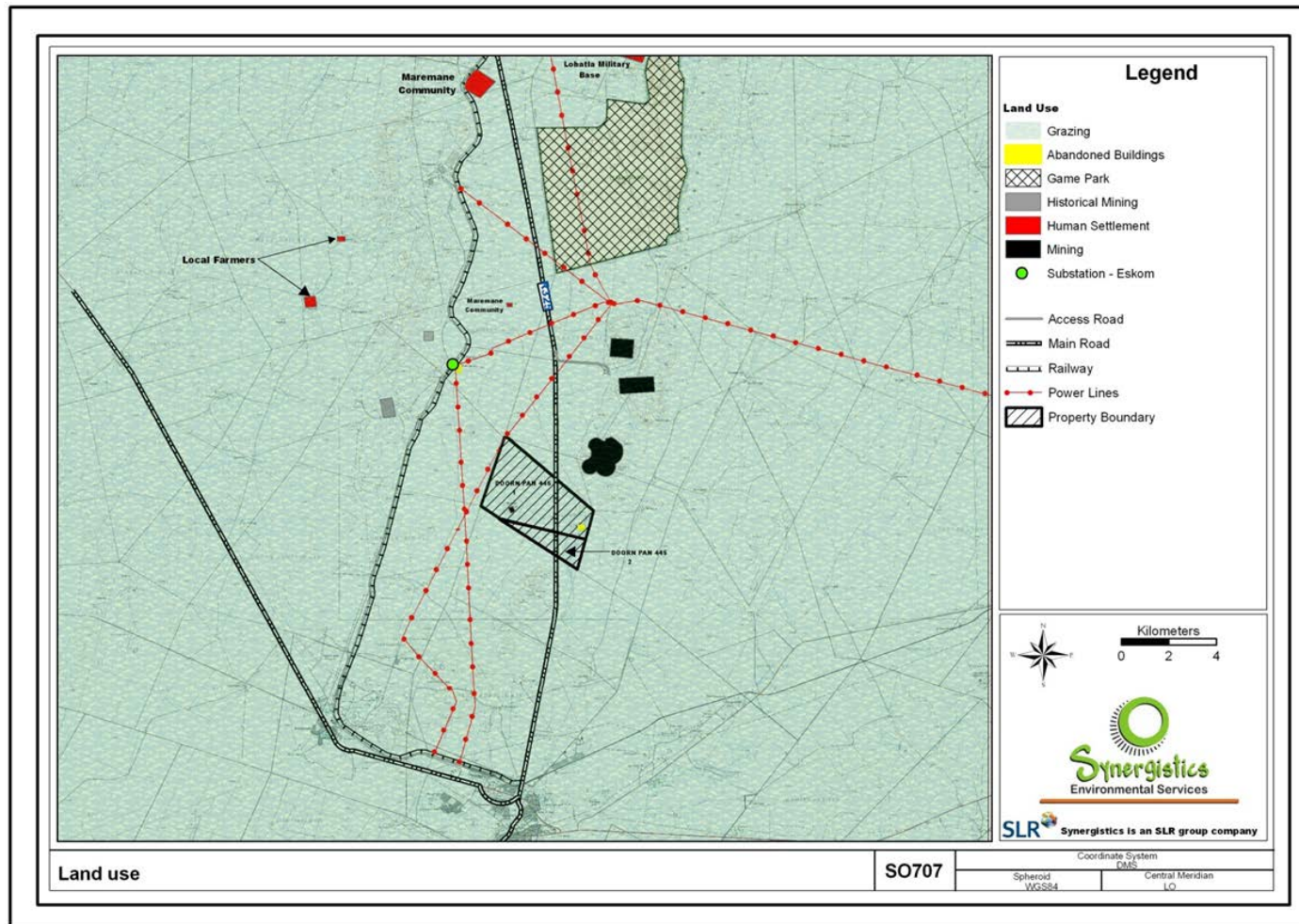


Figure 4.1: Surrounding Landuse

## 4.2 Social Baseline Description

### 4.2.1 Regional Demographic Information

Demacon Market Studies conducted a baseline socio-economic assessment of the study area. A 50 km radius as illustrated in Figure 5.19 was determined as the area of the study for the baseline description. The area had an estimated population of 63 243 or 17 931 households in 2013. The average household size amounts to approximately 3.5 members per household. The population growth is averaged at 1.4 % per annum (Demacon, 2013).

Figure 5.18 shows the age profiles within the study area. The study area is characterised by a relative large percentage of young adults between the ages of 20-34 years (30.5%). This can be attributed to the employment opportunities due to mining developments in the area.

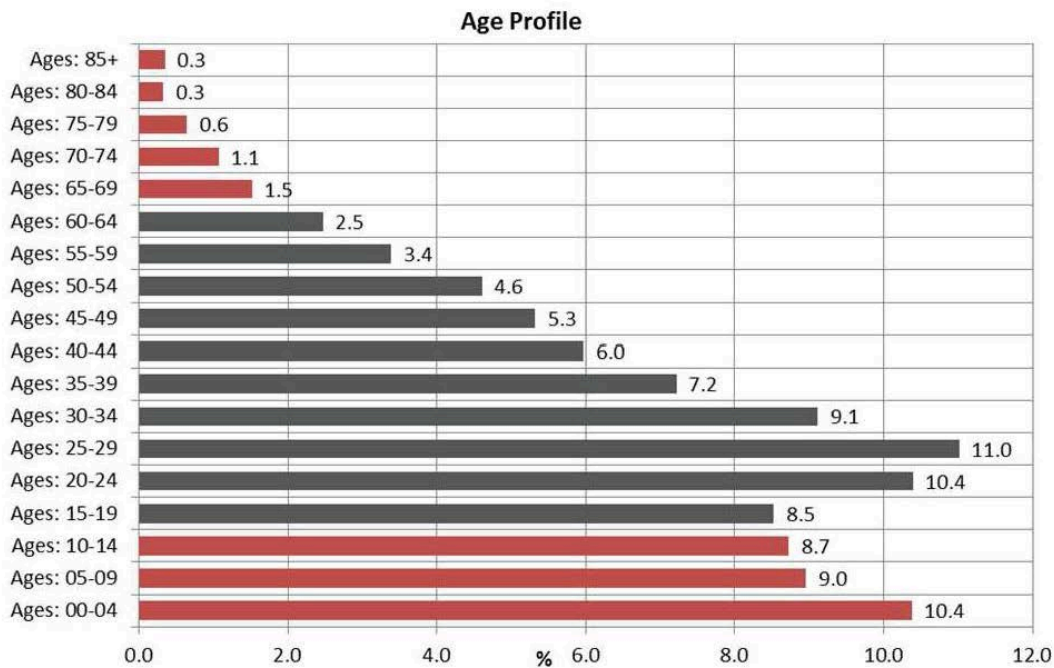


Figure 4.2: Age Profile within the study area (Source: Demacon Market Studies, 2013)



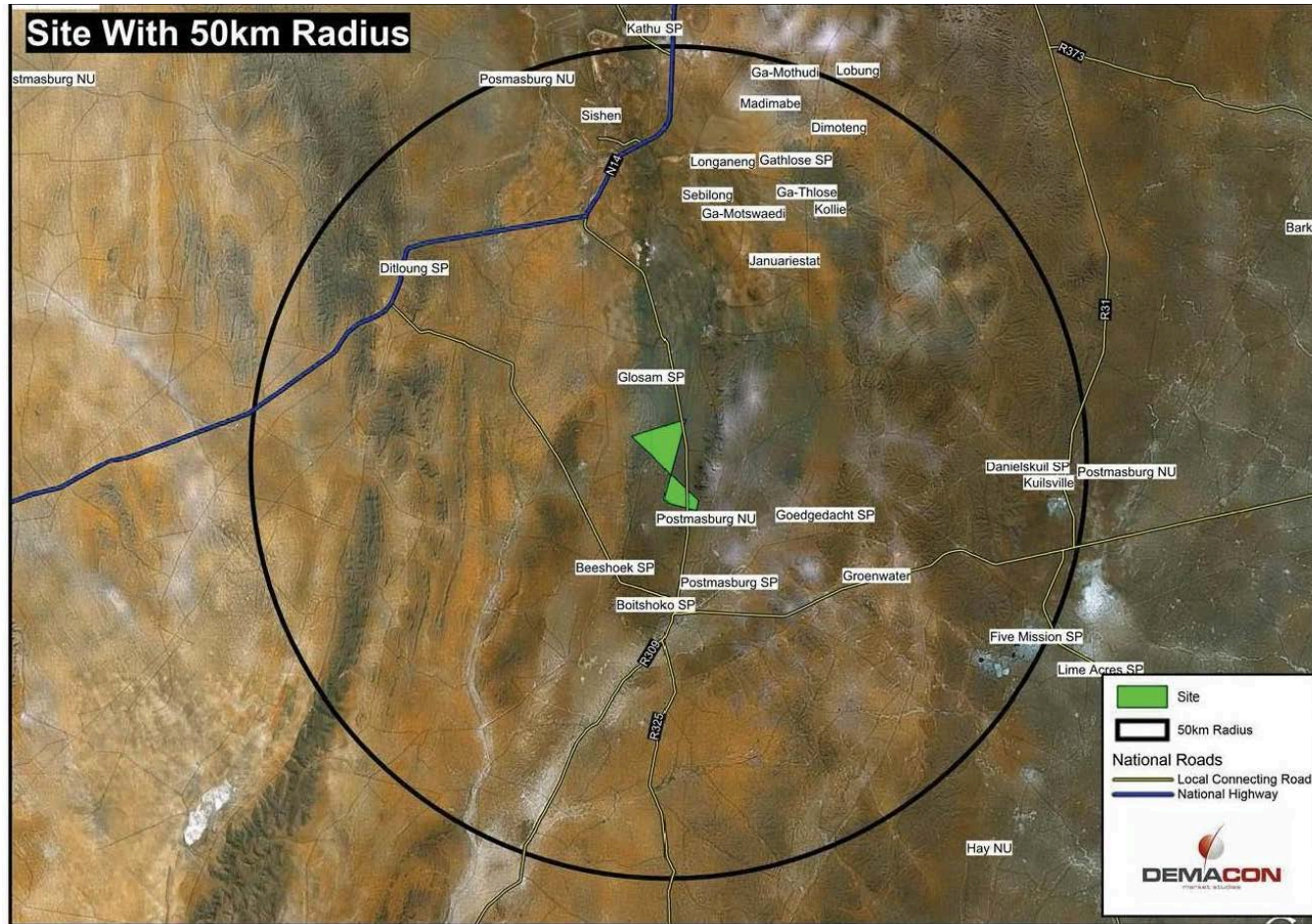


Figure 4.3: Socio-Economic Study Area (Demacon Market Studies, 2013)



#### 4.2.2 Education Profile

The education profile of the study area is indicated in Figure 5.20. The area has moderate figures of illiteracy with 9.3 % having had no schooling. 27.6% of the market population has at least Grade 12 or obtained higher education.

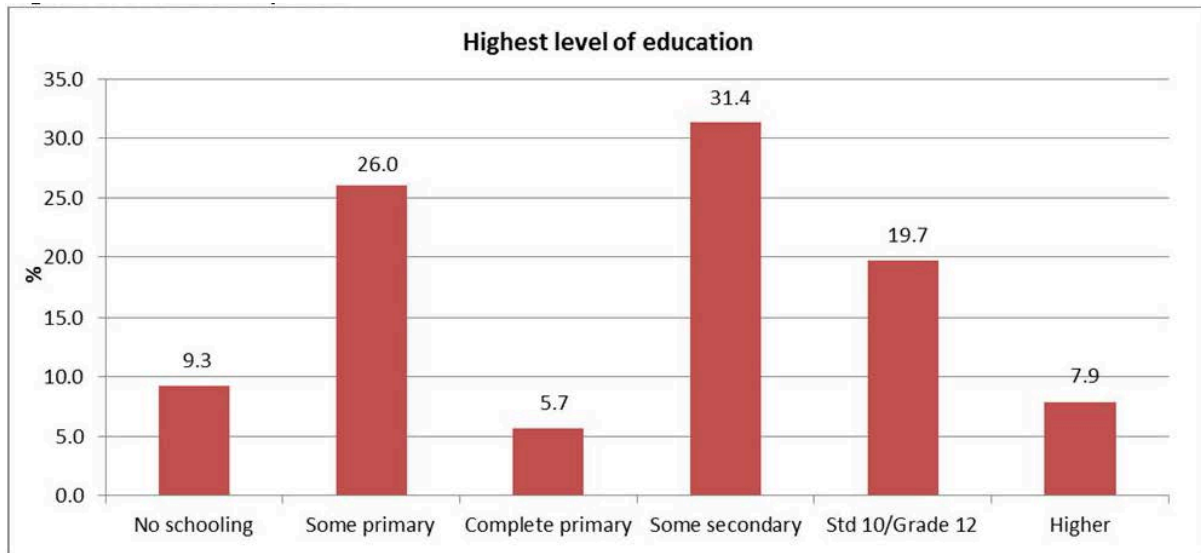


Figure 4.4: Education Profile (Demacon Market Studies, 2013)

#### 4.2.3 Employment Profile

The majority of the market population is economically active (88.6 %) while 11.4 % are not economically active. Figure 5.21 shows that of the 88.6 % that are economically active, 84.4 % are employed while 15.6 % are unemployed. The low level of unemployment can be ascribed to the rural nature of the study area, with people only moving in the area for employment purposes to work in the mining or government sectors as the major employment sectors.

The employment profile of the surrounding communities is likely to be different from the overall study area as described above. During consultations meetings the community indicated high unemployment amongst the youth. The official unemployment rate as reported in the Tsantsabane Municipal fact Sheet is 26.10 % with high youth unemployment (15-34) of 32.30%. Members of the surrounding community that are employed are largely employed by surrounding mines.

#### 4.2.4 Economic Outline

##### 4.2.4.1 Regional and local economic structure

Tsantsabane’s local economy contributes to approximately 17 % of the district’s economy and it is the third largest economy in the district. The municipality hosts one of the country’s largest iron ore reserves, and as such, mining is an important sector within the municipality contributing approximately 39% of the local economy in 2011, seeFigure 5.21..

The affected area for the mining development is characterised by low intensity goat/sheep farming with some historic but abandoned mining activity. The local communities are involved in informal economic activities such as local shops, crèches or small scale agricultural activities (chicken farms, vegetation).

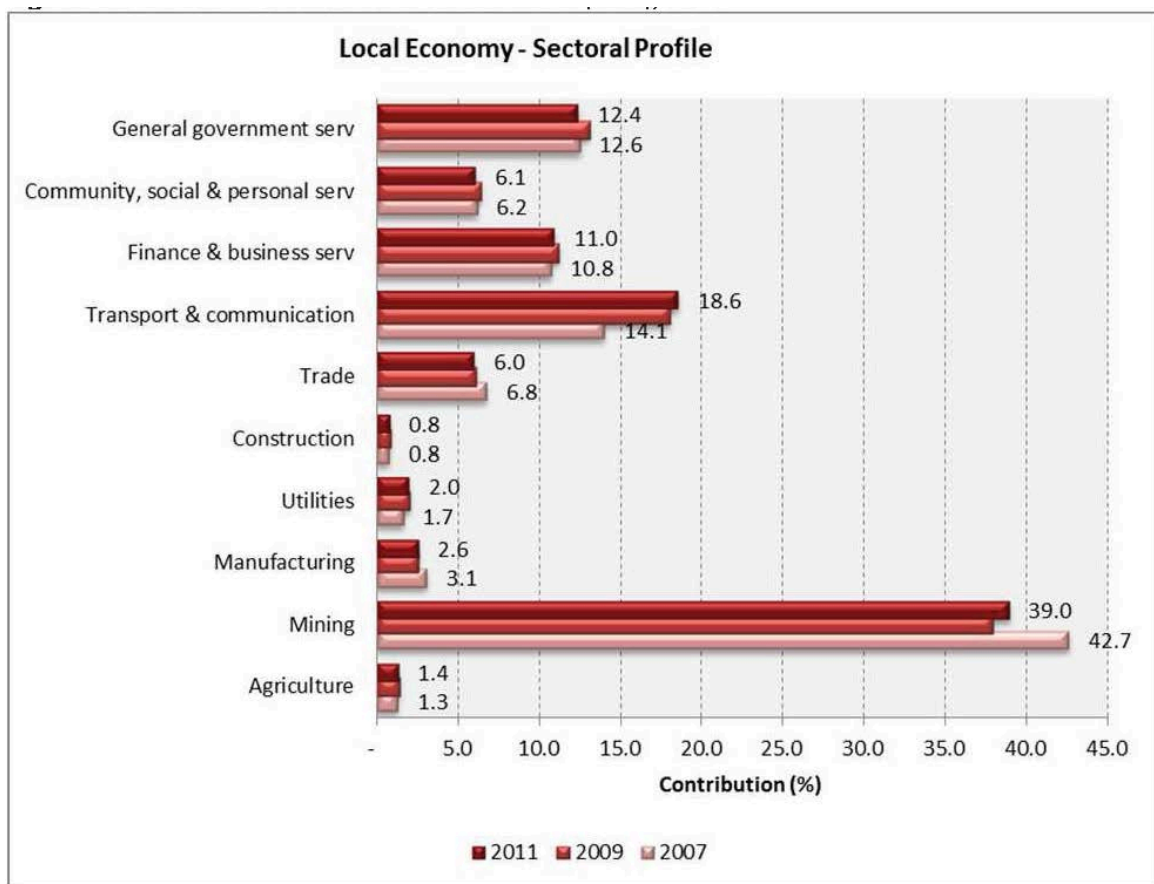


Figure 4.5: Economic Structure and Performance (GVA), 2011 (Demacon Market Studies, 2013)

#### 4.3 Access to Basic Services

According to the Tsantsabane Local Municipality Fact Sheet (2011 census), 66.7% of the population has a flush toilet connected to the sewerage, 45.30% of the population has piped water inside dwelling and 83.5% have electricity for lighting.

This situation is very different to the host community of the COZA Iron Ore Project. The Maremane Community live in an area that falls outside of the municipality's planning scheme as such, the community does not have access to municipal services. According to an interview with Mrs Sibanda a resident of the Lohatla village and a member of the Maremane Community, the community does not have any municipal services. There is no planned source of power, communities use paraffin for energy, there are no sanitary services, community use nearby veld and makeshift pit latrines. Water is sourced from a community borehole. The nearest schooling facility is in Postmasburg and children have to catch taxis for approximately R20 a day.

According to Integrated Development Plan for the Tsantsabane Local Municipality (2011 and beyond), priority issues in terms of service delivery are insufficient bulk water and sanitation supply and maintenance as well as insufficient housing and services sites.

## **5 SOCIAL IMPACT ASSESSMENT**

This section presents the social impact assessment for the COZA Iron Ore Project. For each impact, the intensity, severity, extent and probability is given and mitigation measures are provided for each impact.

It should be noted that social impacts are largely accumulative in nature due to the baseline social conditions of the area in which the project will be undertaken. As such, depending on the impact, mitigation measures required to be implemented can either be the direct responsibility of COZA Mining (Pty) Ltd or a joint collaboration between the applicant and relevant government institutions responsible for social development within the study area.

### **5.1 In-migration of Persons**

The establishment of the COZA Iron Ore Project will result in the direct influx of people to be employed at the mine during the construction and operation phase. The project will employ 150 persons during construction and 80 persons during operation, these persons contribute to direct influx of persons. The number of new persons coming into the area is relatively low considering the other mining development in the region. The influx of people in search of job opportunities and economic benefits due mining activities will be an indirect impact of the development. The number of these persons is unknown but due to the relative size of the development, it is possible that these numbers will be low. Although the in-migration number is low, impacts associated with in-migration are still possible for the project. The following impacts associated with the indirect impact of the influx of people can occur:

### 5.1.1 Development of Squatter Settlements

The migration of people in search of jobs and economic opportunity may lead to the development of squatter settlement within the nearby community. In addition, other members of the Maremane Community are likely to move into the area to experience the benefits of the project. The most likely area to be impacted by this is the nearby community such as Lohatla village or areas nearby the village. It is not expected that the number of persons coming into the area will be significant due to the relative small scale development. The immigration of persons in the area is likely to add onto the disturbed cohesion of the community.

**Impact Severity:** The severity of the development of squatter settlement in the surrounding villages can be considered as moderate due to the existing disturbed social cohesion within the community and the small scale of the mining development. The introduction of unapproved new persons in the community will increase tensions within the community.

**Impact Duration:** The duration of the influx of persons can last over the life of mine as persons can decide to settle even beyond the life of mine. However, the source of the influx (COZA Iron Ore Project) will be reduced once the mine is closed and therefore the duration of the impact is considered to be medium.

**Spatial Scale of Impact:** due to the relatively small scale of the COZA Iron Ore Project, it is likely that the influx will be within the sites surrounds i.e. the Loathly Village and the current Maremane community located on Farm Driehoekspan.

**Consequence:** The consequence of the impact is rated medium in the unmitigated scenario.

**Probability:** This impact can possibly occur if other people in the region and members of the Maremane Community outside of Lohatla hear about the new economic development.

**Significance:** The significance of this impact is rated medium before implementation of mitigation measures. After implementation of mitigation, the impact has low significance.

**Mitigation measures:** in order to reduce the significance of the development of squatter settlement, the following mitigation measures are suggested:

- Ensure proper planning for the in-migration. COZA is to liaise with the Tsantsabane Local Municipality to ensure that their employees are accommodated appropriately in serviced areas to minimise the unmanaged influx.

- In order to minimise uncontrolled influx of persons in search of job opportunities, COZA is to ensure accurate communication of available jobs, skills required and timeframes for employment during their communication with communities. COZA's should appoint a person's (job can be performed by the Environmental Officer) to monitor establishment of squatter settlements in nearby areas that are unoccupied i.e. of Farm Driehoekspan.

#### Tabulated summary of the assessed cumulative development of squatter settlements

Mitigation	Severity	Duration	Spatial Scale	Consequence	Probability of Occurrence	Significance
Unmitigated	M	M	M	M	M	M
Mitigated	L	M	M	L	L	L

#### 5.1.2 Pressure on services in the surrounding communities

The Tsantsabane Local Municipality is currently facing shortages in the capacities of services provide such as housing and sanitation due to the increase of persons in the area due to the development of mines. The introduction of new persons in the area will likely add onto the current pressure on services.

**Impact Severity:** The severity of the pressure on services (particularly housing and sanitation) is considered to be high as there is current pressure on these services in the municipality.

**Impact Duration:** The duration of the impact is considered to be medium (during the operation of the mine) as the pressure will be reduced once the mine has closed.

**Spatial Scale of Impact:** The pressure will be limited to the local level which includes Lohatla village and Postmasburg Town. The spatial scale is therefore considered to be medium.

**Consequence:** The consequence of the impact is rated medium in the unmitigated scenario.

**Probability:** This impact can possibly occur if other people in the region and members of the Maremane Community outside of Lohatla hear about the new economic development.

**Significance:** The significance of this impact is rated medium before implementation of mitigation measures. After implementation of mitigation, the impact has low significance.

**Mitigation measures:** The following mitigation measures can be applied:

- During the construction phase, persons will be accommodated in a fully serviced construction village within the mine property.

- Ensure proper planning for the in-migration. COZA is to liaise with the Tsantsabane Local Municipality to ensure that their employees are accommodated appropriately in serviced areas to minimise the unmanaged influx during the operation phase.
- In order to minimise uncontrolled influx of persons in search of job opportunities, COZA is to ensure accurate communication of available jobs, skills required and timeframes for employment during their communication with communities.

#### Tabulated summary of the assessed cumulative pressure on services

Mitigation	Severity	Duration	Spatial Scale	Consequence	Probability of Occurrence	Significance
Unmitigated	H	M	M	M	M	M
Mitigated	L	M	M	L	L	L

## 5.2 Social Cohesion

A factor that can influence social cohesion is the influx of people to an area that cannot cater for the current population's needs. Disputes among community members and new residents may arise for access to services and job opportunities. In addition to this, the host community (Maremane Community) is currently not in agreement on the correct representative for the community. In addition to this, the members of the community are currently residing in different areas such as Laxey, Pepsi and the surrounding areas of Kuruman. The social cohesion of these members is likely to be further impacted by the project as some members may feel the project benefits are directed towards a few. This is a high social impact, as it will result in disturbances to social cohesion, which can later cause community in fighting or strikes at the mine.

The development of the COZA Iron Ore Project can also result in the development of expectations from the community. Some of the expectations can be unrealistic such as provision of employment for the majority of youths, rise in standards of living for all members of the surrounding communities therefore creating tensions between the mine and surrounding communities

**Impact Severity:** The severity of the dilution of social cohesion is considered to be high as this will create conflict within the communities affected.

**Impact Duration:** The duration of the impact is considered to be medium (during the operation of the mine) as communities are dynamic and can adjust to new social conditions.

**Spatial Scale of Impact:** The pressure will be limited to the local level which includes the Lohatla Village. The spatial scale is therefore considered to be medium.

**Consequence:** The consequence of the impact is rated medium in the unmitigated scenario.

**Probability:** This impact will probably occur, because during EIA consultation meeting, as some members of the Maremane Community felt they were being side-lined when it comes to decision making for the community.

**Significance:** The significance of this impact is rated medium before implementation of mitigation measures. After implementation of mitigation, the impact remains medium as the lack of agreement within the community can still remain even after the implementation of mitigation measures.

**Mitigation measures:** The following mitigation measures are suggested for this impact:

- It is proposed that Coza Mining must ensure that there are open communication lines between members of the Maremane community residing in Lohatla as the directly affected community. This can be done in a form of a forum, this forum is to meeting frequently (quarterly during construction) and once during the operation of the mine. Members of the community are to be notified of the commencement with construction and operation phase.
- According the Department of Rural Development and Land Reform, there are two official representative of the Maremane Community Property Association this includes Mr Mastididi and Mr Tswaro. COZA is to ensure that both these members are consulted when discussing access to land.
- Establishment of a community communication platform for the dissemination of project information
- Distribute project information fact sheets before the start of construction activities
- Maintain a transparent recruitment process

**Tabulated summary of the assessed cumulative disturbance in social cohesion impact**

Mitigation	Severity	Duration	Spatial Scale	Consequence	Probability of Occurrence	Significance
Unmitigated	H	M	M	M	M	M
Mitigated	H	M	M	M	L	M

### 5.3 Increase in Crime

The COZA Iron Ore Project is likely to be associated with the local economic boom. The economic boom will entail additional wealth within the local communities and towns. The increase in wealth may result in an increase in crime and the level of sophistication.

**Impact Severity:** The surrounding areas are relatively a safe area and the increase in crime is considered to the of high severity.

**Duration:** The duration of increase in crime will likely last for the operation of the mine. Duration is therefore considered medium.

**Spatial Scale of Impact:** The scale is likely to extend to the areas where mine employees are residing which will largely be Lohatla and maybe Postmasburg. The scale of impact is therefore medium.

**Consequence:** The consequence of the impact is rated medium in the unmitigated scenario.

**Probability:** This impact could possibly occur and is therefore rated as medium probability.

**Significance:** The significance of this impact is rated as medium before implementation of mitigation measures. After implementation of mitigation, the impact has medium significance.

**Mitigation measure:** the following mitigation measures are suggested:

- COZA is to cooperate fully with the Manica Police to assist where possible in the solving of crimes
- At the community level, COZA is to assist with improving capacity of local leadership through improving communication members between the mine and the surrounding communities.
- A grievance mechanism is to be put in place for communities to raise complaints against any mine employees suspected to be involved in criminal offences.

#### Tabulated summary of the assessed cumulative increase in crime impact

Mitigation	Severity	Duration	Spatial Scale	Consequence	Probability of Occurrence	Significance
Unmitigated	H	M	M	M	M	M
Mitigated	M	M	M	M	M	M



### 5.3.1 HIV/AIDS

The mine project activities will have an indirect impact on HIV prevalence within the region, labour sending areas and delivery routes. The in migration of unaccompanied mine workers who leave behind their spouses and live in construction camps during construction and in towns during operation will likely increase sexual interactions within the surrounding accommodation areas. Secondly the introduction of disposable income is also likely to trigger enhanced drinking by mine employees who can engage in risky behavior.

**Impact Severity:** The severity of the spread of HIV/AIDS within the study area, trucking routes and labour sending areas is considered to be of high severity as there is currently no cure for HIV/Aids even though there is medication to improve quality of life.

**Impact Duration:** The duration of the impact is considered to be high as the impact will last even after the mine closure phase.

**Spatial Scale of Impact:** The spread of HIV/AIDS will be widespread to the trucking routes and the labour sending areas. The spatial scale is therefore considered to be high.

**Consequence:** The consequence of the impact is rated high in the unmitigated scenario.

**Probability:** This impact could possibly occur and is therefore rated as medium probability.

**Significance:** The significance of this impact is rated as high before implementation of mitigation measures. After implementation of mitigation, the impact has medium significance.

**Mitigation measures:** The following mitigation measures are suggested for this impact:

- Providing condoms at hot spot areas, this includes local shebeens
- Provide HIV/AIDS information pamphlets to major labour sending areas and areas of entertainment within the study area.
- Develop a workplace HIV/AIDS policy that encourages testing and awareness on HIV/AIDS.

#### Tabulated summary of the assessed cumulative HIV/AIDS impact

Mitigation	Severity	Duration	Spatial Scale	Consequence	Probability of Occurrence	Significance
Unmitigated	H	H	H	H	M	H
Mitigated	M	H	H	H	L	M

## 5.4 Employment opportunities and Local Procurement

The COZA Iron Ore project will require 150 workers during construction and 80 during the operation phase. Of the 150 construction jobs, most will be directed to unskilled labourers, and it is therefore likely that the majority will be directed towards the local community. The 80 operational jobs will be largely directed towards those skilled labourers. The employment of persons is a positive impact, as it will ensure a stable source of income during operation and improvement of skills through employment opportunities.

**Impact Severity:** This impact is considered to have a positive medium severity as it will contribute to a source of stable income for the families.

**Duration:** The impact is considered to last for the construction and operation of the mine and is therefore considered medium.

**Spatial scale:** The impact will be fairly widespread and is therefore considered to be medium

**Consequence:** The consequence of the impact is rated as a positive medium

**Probability:** This impact could probably occur and is therefore rated as medium probability.

**Significance:** The significance of this impact is rated as positive medium.

**Impact Enhancement:** The following impact enhancement measures are recommended:

- Provide bursaries for scholars within the community to ensure employability. Learners can then be asked to work for the mine after studying
- Conduct skills audit of the local community to identify potential employees.
- Identified potential employees are to be provided with training in order to improve employability at the mine.
- Mine employees are to be provided with training (in line with the SLP) to improve their skills.

### Tabulated summary of the assessed employment impact

Mitigation	Severity	Duration	Spatial Scale	Consequence	Probability of Occurrence	Significance
Unmitigated	M	M	M	M	M	M
Mitigated	M	M	M	M	M	M

## 5.5 Closure of the Mine

The closure of the mine has a number of negative social impacts associated with it. The most noticeable is the loss of jobs and subsequent income. The local economy will also be affected negatively by the mine closure.

**Impact Severity:** Although the COZA Iron Ore Project will be the major source of economic activity for the surrounding communities, it will not be the only source and therefore the severity of the mine closure is considered to be medium.

**Duration:** The impact is considered to last after mine closure. The duration is therefore high

**Spatial scale:** The spatial scale of employment is likely to extend to the Lohalta village and Postmasburg. The spatial scale is therefore considered to be medium.

**Consequence:** The consequence of the impact is rated high in the unmitigated scenario.

**Probability:** This impact could probably occur and is therefore rated as medium probability.

**Significance:** The significance of this impact is rated as high before implementation of mitigation measures. After implementation of mitigation, the impact has medium significance.

**Mitigation measures:** The following mitigation measures are recommended:

- Implement formal training policy and programme that aims to improve skills of employees
- Conduct a skills assessment of all unskilled and semi-skilled employees and design a portable skills training program for the mine's employees. Portable skills refer to useful economic skills that an employee could use to augment their livelihoods. Typical training courses are basic fitting and turning, vehicle mechanical work, electricity, plumbing, and many other appropriate income-generating skills.

### Tabulated summary of the assessed impact

Mitigation	Severity	Duration	Spatial Scale	Consequence	Probability of Occurrence	Significance
Unmitigated	M	H	M	H	M	H
Mitigated	L	H	M	M	L	L

## 6 CONCLUSIONS

The COZA Iron Ore Project will result in both positive and negative social impacts that can be managed and mitigated to reduce or enhance the severity of the impact. The main social impact for the project is the increase in lack of social cohesion which can impact the mine and the surrounding communities detrimentally. Lines of communication will need to be carefully managed to ensure transparency and to gain the mines social licence to operate.

Based on this assessment, there is no reason why the project should not go ahead if the mitigation and management measures identified are implements.