



Photograph 1.8: Local primary school in Hondeklip



Photograph 1.9: Local rugby field in Hondeklip



Photograph 1.9: Community playground initiative by WCR

1.5 ASSUMPTIONS AND LIMITATIONS

1.5.1 Assumptions

Technical and financial viability of the project

It is assumed that proposed mining initiatives are technically and financially viable.

Fit with planning and policy requirements

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

The study however recognises that the location of mining activities is informed by the location of the resource.

1.5.2 Limitations

Demographic data

Some of the relevant planning documents do not include the latest Census 2011 data.

1.6 APPROACH TO STUDY

The approach to the study is based on the Western Cape Department of Environmental Affairs and Development (DEA&DP) Planning Guidelines for Social Impact Assessment. The Guidelines are based on accepted international best practice guidelines, including the Guidelines and Principles for Social Impact Assessment (Inter-organizational Committee on Guidelines and Principles for Social Impact Assessment, 1994). The SIA study involved:

- A review of demographic data from the 2011 Census Survey and other available sources;
- A review of relevant planning and policy frameworks for the NDM, NKLM and KLM;
- A review of information from similar studies;
- A site visit to the area and semi-structured interviews with key stakeholders;
- Experience with other mining projects.

Annexure A contains a list of the secondary information reviewed.

1.6.1 Definition of social impacts

Social impacts can be defined as "The consequences to human populations of any public or private actions (these include policies, programmes, plans and/or projects) that alter the ways in which people live, work, play, relate to one another, organise to meet their needs and generally live and cope as members of society. These impacts are felt at various levels, including individual level, family or household level, community, organisation or society level. Some social impacts are felt by the body as a physical reality, while other social impacts are perceptual or emotional" (Vanclay, 2002).

When considering social impacts, it is important to recognise that social change is a natural and on-going process (Burdge, 1995). However, it is also important to recognise and understand that policies, plans, programmes, and/or projects implemented by government departments and/or private institutions have the potential to influence and alter both the *rate* and *direction* of social change. Many social impacts are not in themselves "impacts" but change process that may lead to social impacts (Vanclay, 2002). For example, the influx of temporary construction workers is in itself not a social impact. However, their presence can result in range of social impacts, such as increase in antisocial behaviour. The approach adopted by Vanclay stresses the importance of understanding the processes that can result in social impacts. It is therefore critical for social assessment specialists to think through the complex causal mechanisms that produce social impacts. By following impact pathways, or causal chains, and specifically, by thinking about interactions that are likely to be caused, the full range of impacts can be identified (Vanclay, 2002).

An SIA should therefore enable the authorities, project proponents, individuals, communities, and organisations to understand and be in a position to identify and anticipate the potential social consequences of the implementation of a proposed policy, programme, plan, or project. The SIA process should alert communities and individuals to the proposed project and possible social impacts, while at the same time allowing them to assess the implications and identify potential alternatives. The assessment process should also alert proponents and planners to the likelihood and nature of social impacts and enable them to anticipate and predict these impacts in advance so that the findings and recommendations of the assessment are incorporated into and inform the planning and decision-making process.

However, the issue of social impacts is complicated by the way in which different people from different cultural, ethnic, religious, gender, and educational backgrounds etc. view the world. This is referred to as the "social construct of reality." The social construct of reality informs people's worldview and the way in which they react to changes.

1.6.2 Timing of social impacts

Social impacts vary in both time and space. In terms of timing, all projects and policies go through a series of phases, usually starting with initial planning (pre-feasibility and development), followed by establishment (construction), operation, and finally closure (decommissioning). The activities, and hence the type and duration of the social impacts associated with each of these phases are likely to differ. In the case of the proposed Koingnaas – Samsons Bak mining project there is no clear distinction between the construction and operational phase of the project. The project involves mining new areas associated with an already established mining area. The key activities associated with establishment (construction phase) of the mining operation, such as infrastructure, access roads, housing, processing plant etc. were undertaken by De Beers. The focus of the SIA is therefore on the operational and decommissioning phase.

1.7 SPECIALIST DETAILS

Tony Barbour has 24 years' experience in the field of environmental management. In terms of SIA experience Tony Barbour has undertaken in the region of 200 SIA's and is the author of the Guidelines for Social Impact Assessments for EIA's adopted by the Department of Environmental Affairs and Development Planning (DEA&DP) in the Western Cape in 2007. Tony Barbour has also undertaken specialist SIA studies for a number of mining projects in South Africa.

1.8 DECLARATION OF INDEPENDENCE

This confirms that Tony Barbour, the specialist consultant responsible for undertaking the study and preparing the report, is independent and does not have a vested or financial interest in the proposed project being either approved or rejected.

1.9 REPORT STRUCTURE

The report is divided into five sections, namely:

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

SECTION 2: POLICY AND PLANNING ENVIRONMENT

2.1 INTRODUCTION

Legislation and policy embody and reflect key societal norms, values and developmental goals. The legislative and policy context therefore plays an important role in identifying, assessing and evaluating the significance of potential social impacts associated with any given proposed development. An assessment of the "policy and planning fit"⁴ of the proposed development therefore constitutes a key aspect of the Social Impact Assessment (SIA). In this regard, assessment of "planning fit" conforms to international best practice for conducting SIAs. Furthermore, it also constitutes a key reporting requirement in terms of the applicable Western Cape Department of Environmental Affairs and Development Planning's *Guidelines for Social Impact Assessment* (2007).

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

National

- Mining Charter (2010);
- New Growth Path Framework (2010);

Provincial

- Northern Cape Provincial Growth and Development Strategy (2004-2014);
- Northern Cape Spatial Development Framework (2012).

District and local

- Namakwa District Municipality Integrated Development Plan (Review 2014/15);
- Hantam Local Municipality Integrated Development Plan (Review 2014/15).

2.2 NATIONAL POLICY ENVIRONMENT

2.1.1 Mining Charter

The objective of the MPRDA is to facilitate meaningful participation of HDSAs in the mining and minerals industry. In particular, section 100(2)(a) of the MPRDA provides for the development of the Mining Charter as an instrument to effect transformation with specific targets⁵.

The vision of the charter is to facilitate sustainable transformation, growth and development of the mining industry. The mission is to give effect to section 100(2)(a) of the MPRDA and section 9 of the Constitution

⁴ "Planning fit" can simply be described as the extent to which any relevant development satisfies the core criteria of appropriateness, need, and desirability, as defined or circumscribed by the relevant applicable legislation and policy documents at a given time.

⁵ A revised draft of the Mining Charter was published for comment in 2016.

The overall objective is to effect sustainable growth and meaningful transformation of the mining industry. To do this the Mining Charter seeks to achieve the following objectives:

- To promote equitable access to the nation's mineral resources to all the people of South Africa;
- To substantially and meaningfully expand opportunities for HDSA to enter the mining and minerals industry and to benefit from the exploitation of the nation's mineral resources;
- To utilise and expand the existing skills base for the empowerment of HDSA and to serve the community;
- To promote employment and advance the social and economic welfare of mine communities and major Labour sending areas;
- To promote beneficiation of South Africa's mineral commodities and;
- Promote sustainable development and growth of the mining industry.

The key elements that underpin the Mining Charter include:

- Ownership;
- Procurement and Enterprise Development;
- Employment Equity;
- Human Resource Development;
- Mine Community Development.

As indicated in Section 4, the SIA comments on a number of these aspects, specifically procurement and enterprise development, employment equity, human resource development and the development of communities in vicinity of the mining area.

2.1.2 New Growth Path Framework

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

- Infrastructure;
- The agricultural value chain;
- The mining value chain;
- The green economy;
- Manufacturing sectors, and
- Tourism and certain high-level services.

Of relevance to the proposed development is the identification of the mining sector as a key growth sector.

2.3 PROVINCIAL POLICY AND PLANNING ENVIRONMENT

2.3.1 Northern Cape Province Provincial Growth and Development Strategy

The 2011 reviewed PGDS takes into consideration the global financial crisis which started in 2008 and also a number of new government priorities, such as the new growth path.

The vision for the Northern Cape Province is "Building a prosperous, sustainable growing provincial economy to eradicate poverty and improve social development for a caring society". The NCPGDS identifies a number of Medium Term Strategic Framework (MTSF) Priorities of which the following are relevant to the proposed development:

- Speed up economic growth and transform the economy to create decent work and sustainable livelihoods;
- Build cohesive, caring and sustainable communities;
- Strengthen the skills and resource base;
- Sustainable resource management utilisation.

The NCPGDS lists a number of key principles that underpin development in the Northern Cape. The following are of relevance to the proposed mining project:

- Sustainability – the promotion of economic and social development through the sustainable management, utilisation of natural resources and the maintenance of the productive value of the physical environment;
- Batho Pele – the placement of people and their needs at the forefront of its concern and to serve their physical, psychological, developmental, economic, social and cultural interests equitably;
- Mainstreaming - issues of women, children and persons with disabilities must be an integral part of all planning processes, implementation and monitoring of all plans and activities.

The key development objectives listed in the PGDS focus on:

- Promoting the growth, diversification and transformation of the provincial economy; and;
- Poverty eradication through social development.

The PGDS notes that the most significant challenge facing the province is the reduction of poverty. All other societal challenges facing the province faces are linked to and emanate predominantly from the effects of poverty. The only effective means by which we can reduce poverty is through long-term sustainable economic growth and development.

In term of potential opportunities for potential growth the PGDS identifies a number of key sectors, namely:

- Agriculture and Agro-processing;
- Fishing and mari-culture;

- Mining and mineral processing;
- Manufacturing;
- Tourism;
- Knowledge Economy (including BPO&O); and
- Energy.

To PGDS also notes that in order to create the conditions that allow the poor to break the cycle of poverty and to ensure economic growth and development, it is vital to develop the human and social capital of the people of the province. This requires:

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

In terms of supporting the development of the key sectors the PGDS identifies a number of strategic interventions for each sector. The sectors that are relevant to the proposed mining project include, Fishing and mari-culture; Mining and mineral processing; Manufacturing and Tourism.

Strategic Intervention: Fishing and Aquaculture Sector

Of relevance to the proposed mining project the PGDS identifies the promotion and development of the Marine and Aquaculture Sector and indicates that the marine side of fishing has a definite nodal tendency focused on Alexander bay, Port Nolloth and Hondeklip Bay based on infrastructure, conditions and initiatives. In terms of aquaculture the PGDS notes that the development of aquaculture as a sector provides an opportunity to diversifying agriculture in the province. The potential of value addition activities in the sector is also high.

Strategic Intervention: Mining and Minerals Processing

In terms of strategic interventions the PGDS identifies mining a key sector to support economic growth and development. In this regard the PGDS notes that minerals provide a "window of opportunity" on which to catalyse future economic development programmes and interventions in the Province. In this regard the strategy notes that it is generally accepted that if properly regulated and supported the small-scale mining sub-sector could be the powerhouse of economic development in poor rural communities, the strategy of the province should entail assisting as many small-scale operations to get started as possible. The PGDS also notes that the Province must identify complementary strategies and initiatives that boost and expand opportunities between mining and other economic sectors, particularly in agriculture, mariculture and tourism.

Mining also creates opportunities for Black Business. As a result of the enactment of new legislation and the adoption of the Minerals Charter a range of new opportunities exist for black business development in the mining and related industries which include:

- Availability of Mineral Resources
- Ownership and joint ventures
- Technology Options Provision of Services

The initiatives listed in the PGDS include:

- Promote the development of synergies between the mining and other economic activities;

- Promote the role mines play in terms of rural economic development;
- Promote further large-scale mining development;
- Support small-scale mining development;
- Enhancing logistics for minerals development;
- Promoting industrial development and minerals beneficiation;
- Develop opportunities for black business development in the minerals sector.

Strategic Intervention: Tourism

The promotion and development of tourism in the Northern Cape is identified as a key growth sector that can contribute towards:

- The overall economic growth in the Northern Cape and South Africa;
- Social upliftment and poverty alleviation through facilitating job creation; and
- More equitable ownership and participation in tourism through transformation.

Other opportunities identified by the PGDS that are relevant to the proposed mining project include:

- Enterprise development and support for SMMEs
- Conservation and sustainable development;
- Regional and local economic development (LED); and;
- Skills Development.

Enterprise development

The PGDS indicates that there is a lack of private entrepreneurship, which is further precipitated by the lack of implementation capacity among institutions providing small business and BBBEE support in the province. The PGDS lists a number of strategic interventions to address this, including:

- Establishment, development and support of SMME`s;
- Create an enabling environment within which SMME`s can grow and flourish;
- Support local market access and linkages for SMME`s;
- Assist SMME`s to access and penetrate markets;
- Ensure significant increases in the number of enterprises owned, controlled and managed by historically disadvantaged individuals.

Conservation and sustainable development

Ecological sustainability should be achieved through promotion of the reduction of resource consumption and waste outputs by conserving and protecting valuable biodiversity in the province. The PGDS lists a number of strategic interventions to address this, including:

- Rehabilitation and restoration of degraded ecosystems;
- Sustainable land use management and protection of biodiversity;
- Protection of ecosystems and species;
- Valuing the ecosystem service

Regional and Local Economic Development

The PGDS lists a number of strategic interventions to support regional and local economic development, including:

- Ensuring that all plans are relevant to economic development and are aligned;
- Creating broad level of LED awareness, knowledge and competence LED capacity building;

- Support for public and private sectors initiatives and partnership
- Support for projects and enterprises capitalising on opportunities identified from LED strategies and plans

Skills Development

The PGDS lists a number of strategic interventions to support skills development, including:

- Improving access to knowledge and skills;
- Access to quality life-long learning;
- Adult Basic Education and Training (ABET);
- Learnerships and Internships; and
- Human Resource and Skills Development.

2.3.2 Northern Cape Provincial Spatial Development Framework

The PSDF draws upon and aims to give effect to the vision put forward in the Northern Cape PGDS, namely...*building a prosperous, sustainable growing provincial economy to eradicate poverty and improve social development*. In so doing the Northern Cape PGDS states that social and economic development is imperative in order to address the most significant challenge facing the Northern Cape, i.e. poverty, and that the only effective means by which poverty can be reduced is long-term sustainable economic growth and development.

The Northern Cape comprises approximately 115 urban settlements of various sizes. The settlement pattern is characterised by small and isolated urban and quasi-urban settlements scattered across the vast area of the province. Some of these have a solid economic base which stimulates energetic growth. However, many of the settlements find it hard to provide basic services and sufficient income generating-opportunities to their inhabitants. The smaller settlements of the province have been characterised by noticeable changes over the past two decades. Of specific relevance to the proposed project is the collapse of many once-prosperous *mining settlements* (Nel, 2005). In many of the smaller towns there is also a growing economic *dependence on state welfare*, on-going loss of many formal sector job opportunities, continuing poverty and increasing out-migration of skilled people. However, there has also been a positive trend in the *growth of tourist settlements* and settlements in areas of natural beauty.

The Northern Cape includes the *Namaqualand Coastal Region*. This region extends over 3 local municipalities in the Namakwa District Municipality, namely Richtersveld, Nama-Khoi and Kamiesberg. The coastal area is sparsely inhabited. The scarcity of freshwater is an obstacle to development and the soil along the coast is generally of a very poor quality and limits the potential for conventional agriculture in the area (CSIR, 2004). A lack of physical access to coastal resources and isolation from the centre of provincial administration constrain development opportunities for coastal communities.

Mining

The SDF notes that the mining industry in the province is of national and international importance. The sector contributed 28.9% to the GDP in 2002 and 27.6% in 2008. Of relevance to the study the Northern Cape produces approximately 37% of South Africa's diamond output. However, processing does not take place in the province and results in an on-going loss of value-adding opportunities (LED Strategy). This should be addressed as a key priority.

Fishing and Mariculture sector

The Namaqualand coast is the centre of the fishing and mariculture sector. The SDF identifies a Fishing and Mariculture corridor, with a primary node at Port Nolloth and secondary nodes at Hondeklip Bay and Alexander Bay. As noted in the PGDS (July 2011), the potential of value addition activities in the fishing and mariculture (i.e. growing and farming of marine organisms) sector is high. In this regard mariculture represents a potential growth sector. See Figure 2.1.

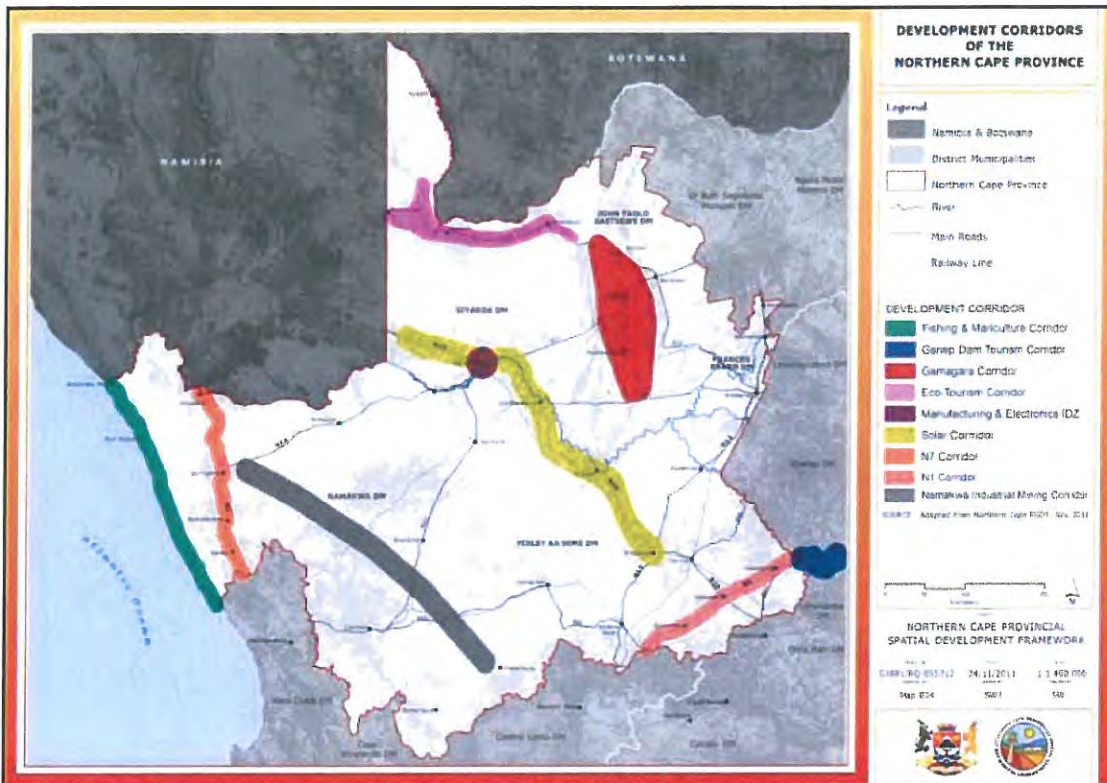


Figure 2.1: Location of development corridors in the Northern Cape Province

The PSDF identifies mining land use types and areas, including the main mining areas. As indicated in Figure 2.2, sections along the coast are identified as a mining area. These areas also correspond to the area identified as the Fishing and Mariculture Corridor (Figure 2.1).

The PSDF also identifies municipal and settlement profiles. In this regard the settlements of the Northern Cape fall into a number of economic base categories. Based on PSDF the main settlements in the study area can be classified as Mining Centres and to a lesser extent Recreational Centres. These are settlements where mining activities provide the resource base for economic development (Koingnaas and Kleinsee), or settlements that offer focussed leisure activities, local natural and cultural recreation opportunities for residents and tourists (Hondeklipbaai).

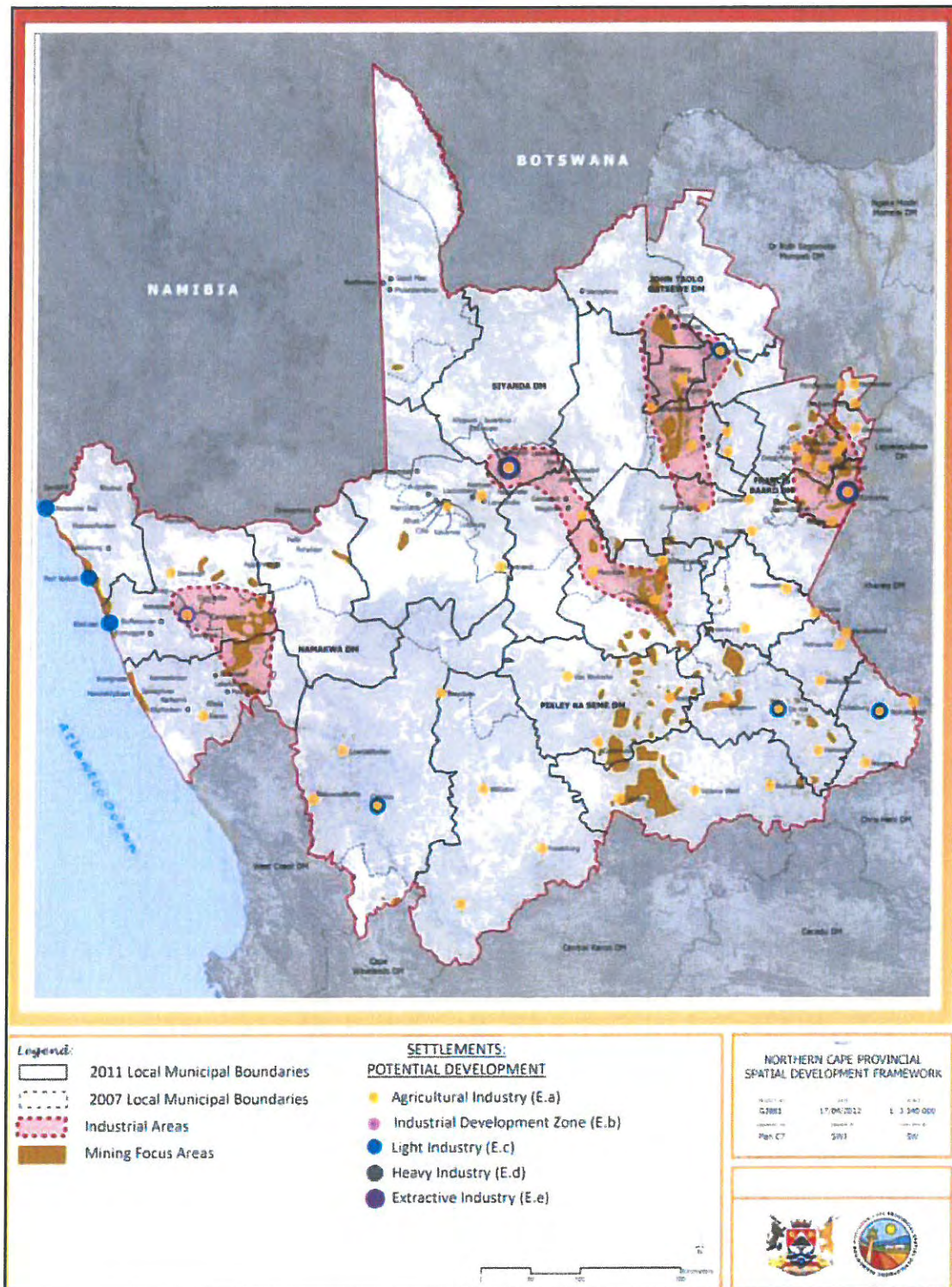


Figure 2.1: Location of mining focus areas in the Northern Cape Province

The PSDF also classifies local towns in terms of type of settlement, potential and investment needs.

- Hondeklip Bay is defined as a very small fishing village with low development potential;
- Koingnaas is defined as a small mining town with low development potential;
- Komaggas is defined as a medium sized mining town with low development potential;
- Kleinzee is defined as a medium sized mining town with high development potential.

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

- Sectoral Strategy 1: Provincial Growth and Development Strategy
- Sectoral Strategy 3: Fishing and Mariculture Sector Development Strategy
- Sectoral Strategy 5: Local Economic Development (LED) Strategy
- Sectoral Strategy 6: Mineral Sector Strategy;
- Sectoral Strategy 8: Northern Cape Province Coastal Management Plan
- Sectoral Strategy 11: Small Micro Medium Enterprises (SMME) Development Strategy;
- Sectoral Strategy 12: Tourism Strategy.

2.4 DISTRICT AND LOCAL POLICY AND PLANNING ENVIRONMENT

2.4.1 Namakwa District Municipality Integrated Development Plan

The vision for the NDM as set out in the Namakwa District Municipality Integrated Development Plan (Draft 2012-2016) is to develop the NDM as "a centre of excellence". The associated Mission Statement notes:

- A government institution legislatively mandated to stimulate economic and social transformation within the jurisdiction of the Namakwa District Municipality;
- By fostering partnership with relevant institutions to ensure sustainable development;
- Proactively supporting and capacitating B-municipalities;
- Be a transparent and accountable centre of excellence.

The IDP identifies as five year implementation plan that identifies a number of key outcomes. The following outcomes are relevant to the proposed development:

- Outcome 4: Decent employment through inclusive economic growth. The associated projects to achieve this outcome include the creation of employment in the B-Municipalities;
- Outcome 6: An efficient, competitive and responsive economic infrastructure network. The associated projects to achieve this outcome include support for SMME's, manufacturing, infrastructure development, tourism and renewable energy development.
- Outcome 10: Environmental assets and natural resources that is well protected and continually enhanced.

2.4.2 Namakwa District Local Economic Development Strategy

The major developmental challenges facing the Namakwa District Municipality identified in the Local Economic Development (LED) strategy are:

- High unemployment levels, coupled to the need to create sustainable income-generating opportunities;
- High level of indigent households;
- Low skills and education levels;
- High dependency rate;
- The spread of HIV/AIDS; and
- The declining contribution of mining to employment in the District.

2.4.3 Kamiesberg Local Municipality Integrated Development Plan

The vision for the Kamiesberg Local Municipality is "The establishment of a climate change orientated and economically viable lifestyle through sustainable growth". In order to achieve this vision the IDP lists a number of strategic objectives of which the following are relevant to the proposed mining project:

- Promotion of Local Economic Development with specific focus on shared growth;
- To create an enabling environment for economic growth in Kamiesberg that attracts investors, encourages innovation and facilitate pro-poor intervention
- To ensure ecological integrity and climate response through sustainable practices;
- To develop progressive strategies to optimize the use of available human resources;
- To facilitate real opportunities for youth, women, and disabled and appropriate care for the aged

The IDP also notes that economic development in the area is hampered by the lack of incentives to attract investment. In order to address this the IDP identifies the need to establishment a functional Economic Development unit to spearhead development in the Kamiesberg Municipal Area (KMA).

The section of the mining area that falls within the KLM is located within Ward 1. The towns and settlements in the Ward 1 are Koiingnaas, Hondeklipbaai, Soebatsfontein, Spoegrivier and Klipfontein.

The IDP notes that majority of the population of Kamiesberg Municipality can be considered youthful with 95% % of the population below the age of 35 and a 26, and 50% younger than the age of 15. Of relevance to the proposed mining project the IDP notes that there is need for the KLM to ensure that provision is made for facilities and opportunities for the youth. In addition, the municipality must also ensure that strong focus is placed skills development facilities within its boundaries in trying to retain these scarce skills. A strong focus on Local Economic Development as also required in order to create local job opportunities and a conducive environment for investment. The IDP also identifies the need to implement nutrition projects at ECD centers with the Department of Social Development

In terms of employment the economy of Kamiesberg Municipality has declined since the unsustainable boom in 2008/9 and a number of established businesses closed down in the meantime subsequently resulting insignificant job losses. Very little or no major developments have taken place in the area in the five or so years which

could turn the situation around. The sectors identified in the IDP with the most potential to alleviate poverty include agriculture, manufacturing, trade and tourism. A series of poverty relief programmes were also pioneered through Expanded Public Works Programmes (EPWP) and SMME development. The IDP notes that the next five years will require significant actions to regenerate the economy of the Kamiesberg Municipal Area to address the increasing levels of unemployment and declining skills. In this regard the proposed mining activities proposed by WCR will assist to create employment opportunities and attract skills to the area.

In order to address the municipalities economic challenges the IDP identifies a number of interventions, including the following which are relevant to the proposed development:

- Urgently reviewing the LED Strategy;
- Develop and implement a SMME Incubation Programme;
- Engage investors to invest in the lagging and leading sectors;
- Targeting SMME Development Programmes;
- Stronger focus and investment in tourism, manufacturing and agriculture.

However, the IDP also notes that the tourism industry is seasonal and susceptible to economic changes such as the Rand/Dollar Exchange, political unrest, global recession etc. This places Kamiesberg LM at risk and requires a stronger effort to diversify the economy

In terms of education levels the IDP notes that there is there is no FET College in the Kamiesberg Municipal area whilst there are huge economic development opportunities and scarce skills needed for the private sector. As a result of the lack of education and employment opportunities the KLM has a major institutional and knowledge leakage of its youth towards the countries bigger cities and metropolitan areas in search of better education and employment opportunities. This emphasizes the need to establish a FET learning institution in Kamiesberg

The provision of affordable housing units is also identified as a high priority for the KLM in order to restore the dignity of poor people and provide them with proper shelter as enshrined in the Constitution of South Africa. The biggest challenge is that the demand for housing grows annually out of proportion in correlation with the funding resources that are available. The need to develop a Human Settlement Plan for the KLM was identified as a key requirement.

2.4.4 Nama Khoi Local Municipality Integrated Development Plan

The vision for the Nama Khoi Local Municipality (NKLM) as set out in the IDP is "to proudly deliver sustainable quality services to the entire Nama Khoi community". The mission is "to deliver outstanding service to the community and to stimulate economic development in the region with the focus on the previously disadvantaged".

The IDP lists five key performance areas (KPAs) for the areas, namely:

- Basic Services and Infrastructure (KPA 1)
- Local Economic Development (KPA 2)
- Municipal Transformation and Institutional Development (KPA 3)
- Financial Viability (KPA 4)

- Good Governance and Community Participation (KPA 5).

KPA 1 and 2 are the most relevant to the proposed project.

The IDP provides a summary of a needs analysis informed by a stakeholder engagement process. The key needs identified that have a bearing on the proposed project is linked to economic development. The proposed development can also contribute to infrastructure development.

Economic

- Facilitate job creation and LED (to address high unemployment rate);
- Improve infrastructure provision;
- Promote tourism;
- Promote small business development;
- Investigate feasibility of recycling mine dumps, establishing small new mines and the prospecting for other minerals;
- Support existing government departments projects; and,
- Promote Private Public Partnerships.

Although it is the responsibility of government to provide and maintain infrastructure, the proposed project can create a catalyst for providing and improving infrastructure in the area.

Infrastructure

- Upgrade roads and associated storm water drainage in jurisdiction area;
- Upgrade water storage and sanitation services in jurisdiction area;
- Upgrade water supply in jurisdiction area;
- Provide electricity in jurisdiction areas;
- Upgrade electricity supply in jurisdiction area;
- Upgrade sanitation services in jurisdiction area;
- Purchase additional equipment (in order to provide and/or maintain essential infrastructure services); and,
- Promote and facilitate the provision of rural housing.

SECTION 3: OVERVIEW OF STUDY AREA

3.1 INTRODUCTION

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

- The administrative context;
- The demographic and socio-economic context.

3.2 ADMINISTRATIVE CONTEXT

The site is located in the Northern Cape Province, within the Kamiesberg Local Municipality (KLM) and Nama Khoi Local Municipality (NKLM), which form part of the Namakwa District Municipality (NDM) (Figure 3.1). The NDM is bordered by the Siyanda and Pixley ka Seme Districts of the Northern Cape Province to the North-East and East, respectively, and by the Western Cape Province to the South (the West Coast, Boland and Central Karoo District Municipalities). The Atlantic Ocean forms the Western boundary, while the Orange River forms the Northern border with Namibia.

The NKLM and KLM are two of six local municipalities that make up the Namakwa District Municipality (NDM)). The towns of Springbok and Garies are the administrative seats of the NKLM and KLM respectively.



Figure 3.1: Location of the Kamiesberg and Nama Khoi Local Municipalities within the Namaqua DM

3.3 PROVINCIAL CONTEXT⁶

The proposed WEF is located in the Northern Cape Province, which is the largest province in South Africa and covers an area of 361,830 km², and constitutes approximately 30% of South Africa. The province is divided into five district municipalities (DM), namely, Frances Baard, Karoo, Namaqua, Siyanda, and Kgalagadi DM, twenty-six Category B municipalities and five district management areas.

Population

Despite having the largest surface area, the Northern Cape has the smallest population of 1 145 861 (Census 2011) or 2.28% of the population of South Africa. The population has increased from 991 919 in 2001. Of the five districts, Frances Baard has the largest population of 382 086. The other districts and their respective populations are Siyanda (236 783), John Taola Gaetsewe (224 799), Pixley ka Seme (186 351) and Namaqua (115 1402). In terms of age, 30.1% are younger than 15 years of age and 64.2% fall within the economically active age group of 15-64 years of age (Census 2011). The female proportion makes up approximately 52.7% of the total with males making up the remaining 47.3% (Census 2011).

⁶ The information in this section is based on the Northern Cape Provincial Growth and Development Strategy 2004-2014. This document does not include 2011 Census Data. Where possible data from the 2011 Census and the NCSDP 2012 has been used to update the information.

Education

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

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

Economic development

Over the past 8 years there has been little to no variance in the Human Development Index (HDI) figures for the Northern Cape, indicating no increase or decrease in the overall standard of living⁷. This trend is unlikely to change in the foreseeable future, mainly due to the marginal economic base of the poorer areas, and the consolidation of the economic base in the relatively better-off areas. It is important to note that the HDI for the Northern Cape (0.55) is substantially below the South African figure of 0.72. The HDI of 0.55 displays a pattern of semi-development, and there is a definite inequality between the different population groups, with the Whites having a higher development lifestyle than the African or Coloured groups.

The percentage of Northern Cape people living below the poverty line has decreased from 40% in 1995 to 27% in 2011, while the poverty gap has decreased from 11% in 1995 to 8% in 2011 (Figure 3.2). The goal set by the province is to decrease the percentage of people living below the poverty line to 20% by 2015 (NCPSDF, 2012). The alleviation of poverty is one of the key challenges for economic development. Higher levels of economic growth are a key challenge for poverty eradication. Investment in people is pivotal to the eradication of poverty and inequality. Investment in people is also, to a large extent, about delivering social and economic infrastructure for education, welfare, health, housing, as well as transport and bulk infrastructure.

⁷ The Human Development Index (HDI) was developed by the United Nations Development Programme (UNDP) based on the philosophy that the goal of development was to ensure that individuals live long, informed and comfortable lives. The HDI consists of three components: Longevity, which is measured by life expectancy at birth; Educational attainment, which is measured by two education variables, namely adult literacy and combined gross primary, secondary and tertiary enrolment ratio, and; Income, which is measured by gross domestic product (GDP) per capita. Performance in each dimension is expressed as a value between 0 and 1, and the HDI index gives an internationally accepted measure of the wellness (quality of life) of the population of the area under consideration. The closer the HDI is to 1.0, the higher the level of "living condition". For example, Sweden has an index of 0.91 defined as high, South Africa at 0.72 is defined as middle and Lesotho at 0.47 is defined as low.

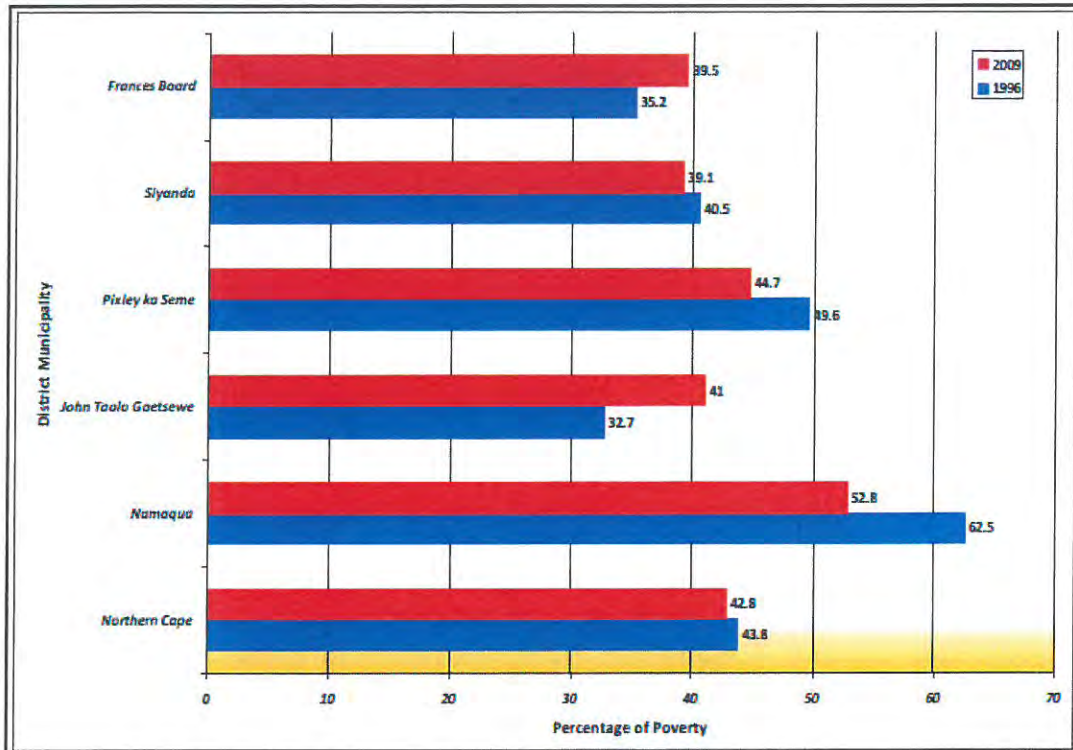


Figure 3.2: Percentage of people living in poverty in the Northern Cape (Source: Global Insight, 2009 as cited in the PGDS, July 2011).

In terms of per capita income, the Northern Cape Province has the third highest per capita income of all nine provinces. However, income distribution is extremely skewed, with a high percentage of the population living in extreme poverty. The measure used in the PGDS document to measure poverty is the percentage of people living below the poverty line or breadline is used⁸. The poverty line indicates a lack of economic resources to meet basic food needs. Figure 3.3 indicates the percentage of household income below the poverty breadline of R800 in the Northern Cape Province, the highest being Karoo at 48% and the lowest being Namakwa at 36%.

⁸ In terms of the poverty line, a person is considered poor if his or her consumption or income level falls below some minimum level necessary to meet basic needs. The minimum level is usually called the poverty line. In South Africa the poverty income level is set at R800/month.

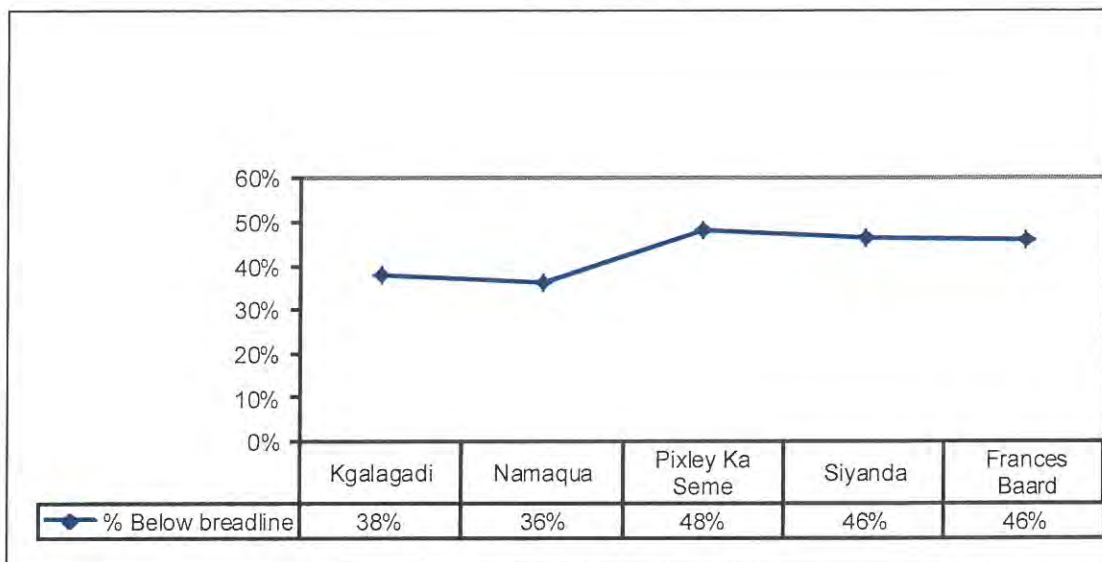


Figure 3.3: Percentage of household income below the poverty breadline by district (Source: Northern Cape PGDS)

Economic sectors

The Northern Cape economy has shown significant recovery since 2000/2001 when it had a negative economic growth rate of -2.5% (LED Strategy). The provincial economy reached a peak of 3.7% in 2003/2004 and remained the lowest of all provinces. The Northern Cape is the smallest contributing province to South Africa's economy (only 2% to South Africa GDP per region in 2007).

The mining sector is the largest contributor to the provincial GDP, contributing 28.9% to the GDP in 2002 and 27.6% in 2008. The mining sector is also important at a national level. In this regard the Northern Cape produces approximately 37% of South Africa's diamond output, 44% of its zinc, 70% of its silver, 140% of its iron-ore, 93% of its lead and 99% of its manganese.

Agriculture and agri-processing sector is also a key economic sector. Approximately 2% of the province is used for crop farming, mainly under irrigation in the Orange River Valley and Vaalharts Irrigation Scheme. Approximately 96% of the land is used for stock farming, including beef cattle and sheep or goats, as well as game farming. The agricultural sector contributed 5.8% to the Northern Cape GDP per region in 2007 which was approximately R1.3 billion, and it employs approximately 19.5% of the total formally employed individuals (NCSDP, 2012). The sector is experiencing significant growth in value-added activities, including game-farming. Food production and processing for the local and export market is also growing significantly.

The main agricultural produce of the Northern Cape include:

- High-value horticultural products such as table grapes, sultanas and wine grapes, dates, nuts, cotton, fodder, and cereal crops are grown along the Orange River.
- Wheat, fruit, groundnuts, maize and cotton in the Vaalharts irrigation scheme in the vicinity of Hartswater and Jan Kempdorp.
- Vegetables and cereal crops at the confluence of the Vaal River and the Orange Rivers in the vicinity of Douglas.

- Wool, mohair, karakul, Karoo lamb, ostrich meat and leather, and venison throughout most of the province.

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

Employment

According to Statistics South Africa Labour (2012) the community and social services sector is the largest employer in the province at 29%, followed by the agricultural sector (16%), wholesale and retail trade (14%), finance (8%) manufacturing (6%) and mining (6%), etc. (Figure 3.4).

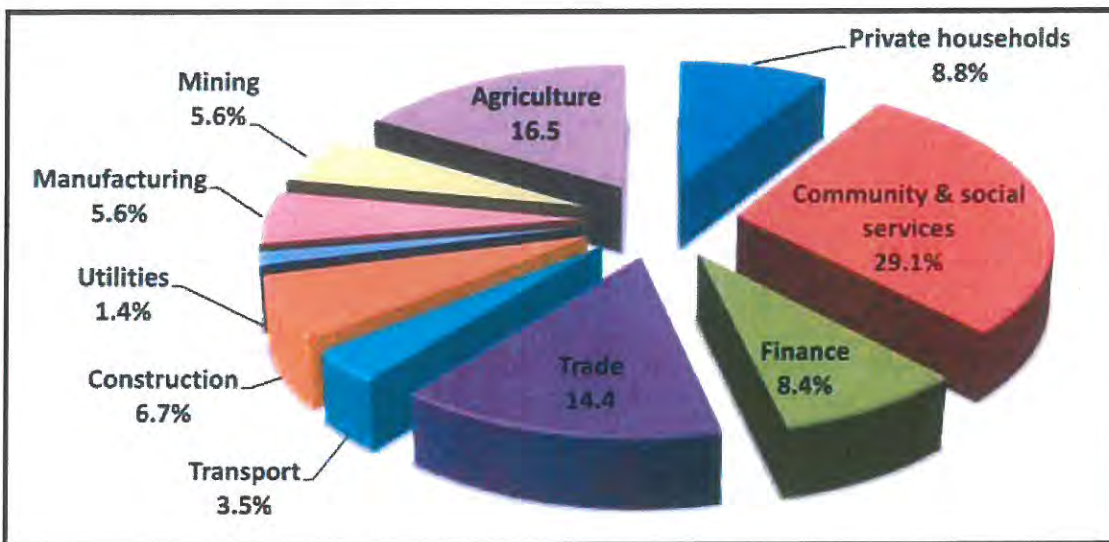


Figure 3.4: Employment by Economic Sector and Industry (Source: Statistics South Africa 2012).

3.2 MUNICIPAL LEVEL DEMOGRAPHIC OVERVIEW

Population

As indicated in Table 3.1., the population of the NDM increased by from 108 111 in 2001 to 115 842 in 2011, which represents an increase of ~ 7%. The population of the NKLM increased from 44 900 in 2001 to 47 041 in 2011, an increase of ~ 5%. The population of the KLM decreased from 10 754 in 2001 to 10 187 in 2011, which represents a decrease of ~ 5%. This represents an average annual increase of ~ 0.69% and 0.47% for the NDM and NKLM respectively, while the population of the KLM shrank by -0.54% per annum. The increase in the population in the both the NDM and HLM was linked to an increase in the 15-64 and over 65 year age group. There was a decrease in the less than 15 age group in both the NDM and KLM. This is likely to reflect a situation where the majority of job seekers in the 15-64 age group are single males who have not settled down and started a family in the area. The increase in the over 65 age group represents an increase in retirees in the area. As in the case of the NKLM there was an increase in the 15-64 and over 65 year age

group. However, this was off-set by the decrease in the younger than 15 year age group.

In terms of local towns in the NKLM, the largest town in the area is Springbok with a population of 12 790, followed by Steinkopf (7 842), Okiep (6 304) and Nababeep (5 374). In terms of towns closer to the study area, the largest town is Kommaggas (3 116) and Kleinzee (728).

The largest town in the KLM is Garies with a population of 2 105, followed by Karkams (1 439) and Kamieskroon (893). In terms of towns near the study area, the closest towns are Hondeklip Bay (543), Soebatsfontein (276) and Koingnaas (105).

The number of households in the NDM, NKLM and KLM increased between 2001 and 2011. This is despite the decrease in the population in the KLM. The size of the household sizes in each area also decreased marginally, namely from 3.5 to 3.2 (NDM), 3.4 to 3.2 (NKLM) and 3.2 to 3.0 (KLM).

The majority of the population in the NKLM and KLM were Coloured (88.1 and 85.6% respectively), followed by Whites (6.6% and 8.1% respectively) and Black African (4.2% and 5.3% respectively) (Census, 2011). The dominant language within the NKLM and KLM Municipality is Afrikaans (93.2% and 91.8% respectively) with the main other languages being English (1% and 0.9%) and isiXhosa (1%) and Setswana (0.7%) respectively (Census 2011).

The dependency ratio in all three areas decreased from 56.4 to 51.2 (NDM), 52.5 to 49.4 (NKLM) and a high 62.6 to 57.9 (KLM). The decrease represents a positive socio-economic improvement by indicating that there are a decreasing number of people dependent on the economically active 15-64 age group. The age dependency ratio is the ratio of dependents, people younger than 15 or older than 64, to the working age population, those ages 15-64. However, the dependency ratio for the KLM remains higher than the provincial (55.7) and national average (52.7).

In terms of percentage of formal dwellings, the number of formal dwellings in the NDM increased from 89.4% in 2001 to 93.8% in 2011. In the NKLM the number of formal dwellings increased from 88.4% to 94.7% for the same period. In the KLM the increase was from 86.3% to 95.6%. The increase in the number of formal dwellings in the NDM, NKLM and KLM is also reflected in the improvements in service delivery (see Table 3.2). The figures for the NDM, NKLM and KLM are also higher than the provincial figure of 82.4%.

Employment

The official unemployment rate in the NDM, NKLM and KLM decreased for the ten year period between 2001 and 2011. In the NKLM the rate fell from 33.1% to 22.9%, a decrease of 10.2%. The rate in the KLM dropped from 32.0% to 30.8%, a decrease of only 1.2%. Youth unemployment in the NDM and HLM also decreased over the same period. The unemployment and youth unemployment levels in the NDM, NKLM and KLM are lower than the provincial and national averages.

Household income

Based on the data from the 2011 Census, 9.5% of the population of the NKLM have no formal income, 2.5 % earn between 1 and R 4 800, 5.0% earn between R 4 801 and R 9 600 per annum, 17.4% between R 9 601 and 19 600 per annum and 20.8% between R 19 600 and R 38 200 per annum (Census 2011). The figures for the KLM are 10.8% have no formal income, 3.8% earn between 1 and R 4 800, 5.9% earn

between R 4 801 and R 9 600 per annum, 22.4% between R 9 601 and R 19 600 per annum and 23.9% between R 19 600 and R 38 200 per annum (Census 2011).

The poverty gap indicator produced by the World Bank Development Research Group measures poverty using information from household per capita income/consumption. This indicator illustrates the average shortfall of the total population from the poverty line. This measurement is used to reflect the intensity of poverty, which is based on living on less than R3 200 per month for an average sized household. Based on this measure, 55.2% and 66.8% of the households in the NKLM and KLM respectively live close to or below the poverty line. The low-income levels reflect the limited formal employment opportunities in the NKLM and KLM, specifically the KLM, and the dependence on the agricultural and mining sectors. The low income levels are a major concern given that an increasing number of individuals and households are likely to be dependent on social grants. The low income levels also result in reduced spending in the local economy and less tax and rates revenue for the district and local municipality.

Education

The education levels in the NDM, NKLM and KLM all improved for the period 2001 to 2011, with the percentage of the population over 20 years of age with no schooling in the NDM decreasing from 11.7% to 6.6%. For the NKLM the decrease was from a high 4.7% to 2.2%, while the figures for the KLM were 8.6% to 5.2%. It is also worth noting that the figures are all lower than the provincial average of 11.3%. The percentage of the population over the age of 20 with matric also increased in the NDM, NKLM and KLM, from 15.7% to 18.8% in the NDM, 16.6% to 20.0% in the NKLM and 15.0% to 16.4% in the KLM. Despite these increases the figures are significantly lower than the provincial (27.7%) and national (28.4%) averages. Low education levels, specifically higher education, therefore remains a challenge in both the NDM, NKLM and KLM.

Table 3.1: Overview of key demographic indicators for NDM, NKLM and KLM

ASPECT	NDM		NKLM		KLM	
	2001	2011	2001	2011	2001	2011
Population	108111	115842	44900	47041	10754	10187
% Population <15 years	29.3	25.8	28.7	24.9	29.9	26.5
% Population 15-64	64.0	66.1	65.6	66.9	61.4	63.3
% Population 65+	5.4	5.7	5.7	8.2	8.6	10.2
Households	27776	33856	10972	13193	2834	3143
Household size (average)	3.5	3.2	3.6	3.4	3.2	3.0
Formal Dwellings %	89.4%	93.8%	88.4%	94.7%	86.3%	95.6%
Dependency ratio per 100 (15-64)	56.4	51.2	52.5	49.4	62.6	57.9
Unemployment rate (official) - % of economically active population	28.5%	20.1%	33.1%	22.9%	32.0%	30.8%
Youth unemployment rate (official) - % of economically active population 15-34	37.7%	25.4%	43.4%	30.1%	44.3%	40.4%
No schooling - % of population 20+	11.7%	6.6%	4.7%	2.2%	8.6%	5.2%
Higher Education - % of	5.9%	7.4%	6.6%	7.9%	3.6%	4.3%

population 20+						
Matric - % of population 20+	15.7%	18.8%	16.6%	20.0%	15.0%	16.4%

Source: Compiled from StatsSA Census 2011 Municipal Fact Sheet

3.2.1 Municipal services levels

As indicated in Table 3.2, access municipal services as measured in terms of flush toilets, refuse removal, piped water and electricity, increased in the NDM, NKLM and KLM for the period 2001 to 2011. This represents a positive social benefit for the local communities in the area. The services level indicators for both the NDM and NKLM are, with the exception of households with access to water in the NDM, also on higher than the provincial and national averages for 2011. However the figure for households with access to flush toilets in the KLM is significantly lower than the provincial average of 60.1%.

Table 3.2: Overview of access to basic services in NDM, NKLM and KLM

	NDM		NKLM		KLM	
	2001	2011	2001	2011		
% households with access to flush toilet	53.3	57.9	64.7	63.5	33.0	38.8
% households with weekly municipal refuse removal	73.3	80.1	86.4	89.4	73.9	79.4
% households with piped water inside dwelling	50.0	68.3	61.2	74.9	27.3	41.7
% households which uses electricity for lighting	77.5	86.5	85.8	93.7	54.3	87.4

Source: Compiled from StatsSA Census 2011 Municipal Fact Sheet

3.2.2 Health service levels

The KLM IDP notes that according to the Department of Health, Namakwa District the satellite facilities are understaffed and only 3 professional nurses serve all the clinics within the area. The level of service is also complicated by the distances between towns. Apart from Garies all of the facilities in the KLM are in need of upgrading, especially in Soebatsfontein. The facility in Kamassies lacks a waiting area, forcing patients to stand. The overall health facilities need to be upgraded to supply in the demand of services.

3.2.3 Education service levels

Based on information from the Department of Education in the Northern Cape indicated there are fourteen (14) primary schools two (2) high schools and four (14) other schooling institutions (Early Childhood Development Centers) within the KLM municipal area. In terms of the towns within the study area there is a primary school in Hondeklip Bay and Soebatsfontein. The closest high school is in Garies.

3.3 MUNICIPAL LEVEL ECONOMIC OVERVIEW

The average growth rate for Gross Geographic Production (GGP) in the KLM from 1996-2011 was 5.4 %. However, between 2007 and 2011 this slowed down to an average growth rate of 4.8%. The largest contributing sector to employment in the local economy (21.12%) was the Retail, Catering and accommodation sector. Growth

in the local economy is strongly linked to the tourism industry and construction sector. However, both of these sectors are seasonal and susceptible to external economic changes, such as exchange rates.

Due to the limited economic opportunities in the area, the KLM was identified as the War on Poverty area in the Namakwa District. As part of the programme the Department of Social Development funds Soup Kitchens and Drop-In-Centre initiatives that have food security as the core of their programmes. Soup kitchens were established in Hondeklipbaai, Leliefontein, Garies and Kharkams. The aim of the Soup Kitchens is to meet the needs of the poor, vulnerable and destitute who find it difficult to respond to the shocks and stresses that threaten their livelihoods.

The limited economic opportunities in the KLM are reflected in the high number of social grant recipients. The IDP indicates that the KLM had 1 529 registered indigent households which constitutes almost 50% of the total number of households in the LM. Although the social grants are a lifeline to recipients and families hovering on the brink of poverty, it does not enable recipients to break the cycle of poverty.

The IDP identifies a number of reasons for the reliance on government grants, including:

- High poverty levels due to high levels of unemployment, and increasing rates of illness (HIV/AIDS and TB);
- Communal farming on municipal peri-urban land is creating environmental challenges
- Local economies of small towns in our municipal area are characterized by weak multipliers, because a great deal of purchasing power is spent in the larger centres, or metropolitan areas situated outside these areas
- The conditions of life of remote settlements of farm workers tend to be poor, with low mobility, and difficult access to health, education, recreation and shopping amenities
- There is an out-migration of skilled people, due to a lack of local economic opportunities.

In terms of the NKLM the key economic sectors in terms of employment are General Government (21.7%), followed by Community, social & personal services and Wholesale & retail trade, catering and accommodation (17.3%), mining and quarrying (16%), Finance, insurance, real estate & business services (8.1%) and Agriculture, forestry & fishing (7.5%).

SECTION 4: ASSESSEMENT OF KEY SOCIAL ISSUES

4.1 INTRODUCTION

Section 4 provides an assessment of the key social issues identified during the study. The identification of key issues was based on:

- Review of baseline socio-economic data and relevant planning and policy documents;
- Review of project related information, including other relevant specialist studies;
- Interviews with key interested and affected parties;
- Experience with study area and other mining projects in the Northern Cape Province.

The assessment section is divided into:

- Assessment of compatibility with relevant policy and planning context (“planning fit”);
- Assessment of social issues associated with the operational phase;
- Assessment of decommissioning;
- Assessment of the “no development” alternative.

As indicated in Section 1, in the case of the proposed Koingnaas–Samsons Bak mining project there is no clear distinction between the construction and operational phase of the project. The project involves mining new areas associated with an already established mining area. The key activities associated with establishment (construction phase) of the mining operation, such as infrastructure, access roads, housing, processing plant etc. were undertaken by De Beers. The focus of the SIA is therefore on the operational and decommissioning phase.

4.2 POLICY AND PLANNING FIT

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

National

- Mining Charter (2010);
- New Growth Path Framework (2010);

Provincial

- Northern Cape Provincial Growth and Development Strategy (2004-2014);
- Northern Cape Spatial Development Framework.

District and local

- Namakwa District Municipality Integrated Development Plan (Review 2014/15);
- Hantam Local Municipality Integrated Development Plan (Review 2014/15).

Based on the findings of the review the development of mining is supported as key investment sector in the New Growth Plan, Northern Cape Provincial Growth and Development Strategy (NCPGDS) and the Northern Cape Spatial Development Framework (NCSDF). In terms of supporting development in the mining sector the PGDS identifies a number of strategic interventions, including:

- Promote the development of synergies between the mining and other economic activities;
- Promote the role mines play in terms of rural economic development;
- Promote further large-scale mining development;
- Support small-scale mining development;
- Enhancing logistics for minerals development;
- Develop opportunities for black business development in the minerals sector.

Support for investment and creation of opportunities for job creation and economic development are also highlighted as key objectives in the Integrated Development Plans prepared by the Nama Knoi and Kamiesberg Local Municipalities. Based on the findings of the review the proposed Koingnaas-Samsons Bak mining project is supported at a national, provincial and local planning and policy level.

4.3 SOCIAL IMPACTS ASSOCIATED WITH OPERATIONAL PHASE

Potential positive impacts

- Creation of employment opportunities;
- Creation of skills development and training opportunities;
- Creation of business opportunities;
- Creation of opportunities to revitalise Koingnaas and Kleinzee;
- Support for local community initiatives and developments.

Potential negative impacts

- Risks to local communities posed by workers;
- Risk to abalone and crayfish operations;
- Noise, dust and safety impacts associated with mining related activities and the movement of heavy vehicles.

4.3.1 Creation of employment opportunities

Employment

The re-commissioning of the mining operations previously undertaken by De Beers commenced in March-April 2015. The up-grade of the plant is expected to be completed by October-November 2016. The current operations employ ~ 100 permanent staff. This is broken down into 79 Coloured males, 13 Coloured females, 7 White males and 1 Black African Male. Ninety three percent (93%) of the employees are therefore historically disadvantaged individuals (HDIs), while 13% of the work force is female. All of the female workers are HDIs.

At full production the total workforce will number 250-300. As in the case of the current breakdown, more than 90% of this workforce will be HDIs. The proposed mining development will therefore create significant employment opportunities for HDIs. Although the employment opportunities will be limited to the life of mine,

which is currently estimated to be between 10 and 15 years, this will represent a significant benefit and opportunity for the local economy in the KLM and NKLM.

In terms of employees from the local area, 93 of the total workforce come from local towns in the area (Table 4.1). All of these workers are HDIs.

Table 4.1: Towns of origin for workers

Number of workers	Towns of Origin
24	Kommaggas
20	Kleinzee
13	Nababees
6	Concordia
5	Springbok, Okiep, Koingnaas
4	Buffelsrivier, Steinkopf
3	Hondeklip Bay
2	Soebatsfontein, Kathu
1	Sanddrift, Port Nolloth, Lamberts Bay, Alexander Bay, Garies, Upington, Kimberly and Witbank

Although the majority of employees come from local towns in the study area concerns were raised by local residents in Hondeklip Bay and the local councilor, ream, Ms Elsabie Stevens, that the number of workers employed on the mine from Hondeklip Bay and settlements such as Soebatsfontein, was limited. This is confirmed by the data provided by WRC. Efforts should therefore be made to employ more workers from these two settlements, specifically given their proximity to the mining area. Likewise, training and skills development opportunities should also be provided.

Annual wage bill

The total annual wage bill associated with the current operations which employ ~ 100 staff is R 31 million (2016 rand values). The annual total wage bill associated with a workforce of between 250 and 300 will be in the region of R 90 million (2016 rand values). The total wage bill (excluding annual increases) over the 10 to 15 life of mine would therefore be in the region of R 900 million to R 1.35 billion (2016 rand values).

As indicated above, 93% of the current employees are HDIs and live in local towns in the study area. These figures are also likely to apply to the full production workforce of 250-300. A significant portion of the annual wage bill is and will be earned by HD members from the area and will be spent in local towns in the area. Although the benefits will be limited to the life of mine, which is currently estimated to be between 10 and 15 years, this injection of wage income (R 900 million to R 1.35 billion) will represent a significant socio-economic benefit and opportunity for the local economy and business in the KLM and NKLM.

The creation of employment and wage opportunities, even though they are limited to life of mine, should also be seen within the context of the area's history and the limited employment and economic opportunities currently available. As indicated in the KLM and NKLM IDPs, job creation and economic development are key challenges facing the area.

Table 4.2: Assessment of employment opportunities

Creation of employment opportunities		
	Without Mitigation	Assuming Enhancement
Severity/Intensity	Low	High
Duration	Medium term	Medium-term
Extent	Local-Regional	Local-Regional
Consequence	Medium	High
Probability	Likely	Likely
Significance	Medium	High
Status	Positive	Positive
Confidence	High	High
Nature of Cumulative impact	Opportunity to improve economic mobility and skills levels in the area	
Degree to which impact can be reversed	N/A	
Degree to which impact may cause irreplaceable loss of resources	N/A	
Degree to which impact can be enhanced	Low	

Assessment of No-Go option

Current status quo would be maintained. This option would represent a lost opportunity in terms of the creation of employment opportunities.

Recommended enhancement measures

In order to enhance local employment opportunities associated the following measures should be implemented:

- WCRs should seek to maximise employment opportunities for HDIs from local towns in the study area, specifically towns like Hondeklip Bay, Soebatsfontein and Garies;
- WCRs should work closely with local community leaders and authorities to create employment opportunities for local community members.
- WCRs should, in consultation with local community leaders and authorities, establish a local skills database;
- WCRs should, in consultation with local community leaders and authorities, establish a mechanism for informing local community members of vacancies.

4.3.2 Creation of training and skills development opportunities

Based on the information provided by WCR at total to 86 out of the 100 employees currently employed have undergone some form of training and skills development within the first 12 months of being employed. Of this total 37 employees have undertaken the Dover Test, which is a Austrian developed concept which provides a basic skills-competency measurement tool, and looks at a set of fundamental practical skills, including eye-hand-foot and basic manual co-ordination, reactions to stimuli in various environmental conditions, auditory discrimination, estimation of the speed / direction of moving objects, basic decision-making abilities and concentration levels under monotonous circumstances. A further 39 have been provided with

Trackless Mobile Mechanism (TMM) Competency Testing, and 10 have had coaching and mentoring training. All of the recipients are HDIs.

Similar on-going training and skills development opportunities will be provided for the additional workers employed when full production is achieved (250-300). As is currently the case, the majority of the beneficiaries will be HDIs from local communities in the NKLM and KLM. The proposed mining development will therefore create significant training and skills development opportunities for HDIs. Although these opportunities will be limited to the life of mine, which is currently estimated to be between 10 and 15 years, this will represent a significant benefit and opportunity for the workers and will increase their chances of finding alternative employment when the mining operations stop.

As indicated above, concerns were raised by local residents in Hondeklip Bay and the local councilor for the area regarding the limited number of residents from Hondeklip Bay and settlements such as Soenbatsfontein, employed on the mine. The skills and training opportunities for local residents from these settlements would therefore also be limited. Efforts should therefore be made to employ more workers from these two settlements, specifically given their proximity to the mining area.

The creation of training and skills development opportunities should also be seen within the context of the area's history and the limited employment and economic opportunities currently available. As indicated in the KLM and NKLM IDPs, the lack of skills and loss of skilled workers is a key challenge facing the area.

Table 4.3: Assessment of training and skills development opportunities

Creation of training and skills development opportunities		
	Without Mitigation	Assuming Enhancement
Severity/Intensity	Low	High
Duration	Medium term	Medium-term
Extent	Local-Regional	Local-Regional
Consequence	Medium	High
Probability	Likely	Likely
Significance	Medium	High
Status	Positive	Positive
Confidence	High	High
Nature of Cumulative impact	Improved pool of skills and experience in the local area	
Degree to which impact can be reversed	N/A	
Degree to which impact may cause irreplaceable loss of resources	N/A	
Degree to which impact can be enhanced	Low	

Assessment of No-Go option

Current status quo would be maintained. This option would represent a lost opportunity in terms of the creation of training and skills development opportunities.

Recommended enhancement measures

In order to enhance training and skills development opportunities the following measures should be implemented:

- An accredited training and skills development programme aimed at maximising the opportunities for local workers to be employed in the low and semi-skilled positions should be initiated in order to address low skills levels in the area;
- The recruitment selection process for the training and skills development programme should seek to promote gender equality and the employment of women wherever possible;
- WCRs should seek to maximise employment and the associated training and skills development opportunities for HDIs from local towns in the study area, specifically towns like Hondeklip Bay, Soebatsfontein and Garies;
- WCRs should, in consultation with local community leaders and authorities, establish a local skills database.

4.3.3 Creation of business opportunities

The creation of business opportunities will be linked to capital expenditure and procurement expenditure by WRC and wage spend by employees in the local economy.

WRCs capital expenditure associated with start-up activities amounts to ~ R 26 million (2016 rand values) for the first year of operations. The capital expenditure for the remaining 10 -15 years life of mine is in the region of R 128 million (2016 rand values). This expenditure creates business opportunities for companies involved in the mining sector. Given the history of mining in the Namaqualand there are likely to be a number of locally based suppliers that stand to benefit from this expenditure. The rest will be based in other parts of the province and South Africa.

In addition to capital expenditure WCR outsource a number of their operations to mining, service and security contractors etc. The budget for these services was ~ R 35-40 million in 2015/16. In addition, R 7.4 million was spent on fuel supplied by Kaap-Agri, while R 5.4 was paid to De Beers for water and electricity, and R 524 081.56 was paid to local, provincial and national government in the form of rates, taxes and royalties.

The total expenditure by WCR for the period 2015/16 was therefore in the region of R 55 million (2016 rand values). This, like the annual wage bill, will increase when mining operations move into full production and will create opportunities for local businesses in the NKLM and KLM. The potential opportunities for businesses in towns like Hondeklip Bay and Soebatsfontein will, however, be limited due the nature of these towns.

In addition to the business opportunities associated with the mining related expenditure a percentage of the annual wage bill (R90 million at full employment) will be spent in the towns where the workers live. This will benefit existing businesses and also create opportunities for new business to become established. Although the benefits will be limited to the life of mine, which is currently estimated to be between 10 and 15 years, this injection of wage income (R 900 million to R 1.35 billion) will represent a significant socio-economic benefit and opportunity for the local economy and business in the KLM and NKLM. As indicated above, 93% of the current employees are HDIs and live in local towns in the study area. These figures are also likely to apply to the full production workforce of 250-300.

In addition, as per the requirements set out in the Social Labour Plan (April 2015), WCRs are committed to the implementation of a preferential procurement plan. The broad objectives of the plan include to:

- Actively identify new BEE Entities - HDSA suppliers in the procurement environment of the Namakwa region;
- Establish a comprehensive and accurate supplier and or vendor database in order to ensure that future HDSA expenditure is reflected and reported correctly;
- Progressively align the levels of spend with BEE Entities - HDSA and other category suppliers by setting realistic targets over the next five years;
- Encourage future West Coast Resources suppliers, who are anticipated to have capacity in the Namakwa region, to embark on a transformation process whereby they create BEE Entities - HDSA shareholding in their ownership structures or enters into joint ventures in order to transfer skills, particularly in the case of Multinational suppliers;
- Encourage suppliers who are not economically active in the Namakwa region to form partnerships or to expand into sustainable entities within the Namakwa region.

In terms of targets WCRs have set a national and provincial preferential procurement targets for BEE entity suppliers as a percentage of total spend. The national targets for Capital, Services and Consumables by 2019 are 60%, 80% and 70% respectively. The provincial targets for Capital, Services and Consumables by 2019 are 40%, 50% and 60% respectively.

Table 4.4: Assessment of business opportunities

Creation of business opportunities		
	Without Mitigation	Assuming Enhancement
Severity/Intensity	Low	High
Duration	Medium term	Medium-term
Extent	Local-Regional	Local-Regional
Consequence	Medium	High
Probability	Likely	Likely
Significance	Medium	High
Status	Positive	Positive
Confidence	High	High
Nature of Cumulative impact	Opportunity to create opportunities for local business to expand and for new businesses to become established	
Degree to which impact can be reversed	N/A	
Degree to which impact may cause irreplaceable loss of resources	N/A	
Degree to which impact can be enhanced	Low	

Assessment of No-Go option

Current status quo would be maintained. This option would represent a lost opportunity in terms of the creation of business opportunities.

Recommended enhancement measures

In order to enhance local employment opportunities associated the following measures should be implemented:

- WCRs should seek to maximise procurement opportunities for local Broad Based Black Economic Empowerment (BBBEE) companies, including Small Medium and Micro Enterprises (SMMEs);
- WCRs should, in consultation with local chamber of commerce and authorities, establish a local database of suppliers, specifically BBBEE companies and SMMEs;
- Suppliers of the database should be informed of procurement opportunities when they arise.

While preference of local employees and companies is recommended, it is recognised that a competitive tender process may not guarantee the employment of local companies.

4.3.4 Creation of opportunities to revitalise Koingnaas and Kleinzee

As indicated in Section 1, at its peak in the 1980's more than 3 000 people were employed at Kleinzee Mine, and the town's population was close to 7 000, while close to 1 000 people lived in Koingnaas. However, with the closure of the diamond mining operations by De Beers in the mid 2 000s, the population of Kleinzee and Koingnaas decreased significantly and is now in the region of 450 and 110 respectively. The towns have been handed over to the local municipalities of Nama Khoi (Kleinzee) and Kamiesberg (Koingnaas).

The majority of houses in Kleinzee appear to be empty and the facilities established by De Beers, such as sports facilities and shopping centres etc., are no longer functional. However, the houses and facilities have not been vandalised as yet and appear to be in relatively good condition. The same applies to Koingnaas.

Given the limited economic opportunities in the area the mining operations proposed by WRCs provide an opportunity to act as catalyst to revitalise the towns of Koingnaas and Kleinzee. In this regard the presence of WCRs employees in these towns will create demand for services, such as doctors, pharmacists, etc. and facilities, such as supermarkets, sports facilities and restaurants. Friends and family members of WCR employees will also visit the towns, thereby increasing the demand for services and facilities and also increasing the exposure of these towns to the public. In this regard public access to Koingnaas and Kleinzee was previously controlled and restricted, as was travel along the tarred road between these two towns. People's perception and memories of these towns would have been informed by these restrictions, which in turn, would have hampered the transformation of these towns to normal towns open to the public. Access to the towns and travel along the tarred road between the towns is no longer controlled.

It is recognised that the benefits associated with the proposed mining activities will be limited to the 10-15 life of mine. In addition, the mining operations will be considerably smaller than the activities undertaken by De Beers. However, having said this, the timing of the proposed mining operations has the potential to act as a catalyst and create the momentum required to revitalise Koingnaas and Kleinzee and enable them to transform from mining towns to normal coastal towns. The timing of the proposed mining operations therefore creates a unique opportunity for this to happen, specifically given that the majority of the structures and facilities are still in

reasonable condition and do not appear to require major work. If the towns can be revitalised, this will reduce the financial burden on local NKLM and KLM.

In the absence of the potential opportunities created by the proposed mining there is a very real risk that the towns of Koingnaas and Kleinzee and would deteriorate and become dysfunctional, run-down towns. If this happens then the financial burden on the NKLM and KLM will increase.

Table 4.5: Assessment of opportunity to revitalise Koingnaas and Kleinzee

Revitalise Koingnaas and Kleinzee		
	Without Mitigation	Assuming Enhancement
Severity/Intensity	High	High
Duration	Medium term	Medium-term
Extent	Local-Regional	Local-Regional
Consequence	High	High
Probability	Likely	Likely
Significance	High	High
Status	Negative	Positive
Confidence	High	High
Nature of Cumulative impact	Negative cumulative impact linked to deterioration of towns resulting in dysfunctional, run-down towns. Positive cumulative impact linked to functional, operating towns that generate income or local authorities	
Degree to which impact can be reversed	N/A	
Degree to which impact may cause irreplaceable loss of resources	N/A	
Degree to which impact can be enhanced	High	

Assessment of No-Go option

Current status quo would be maintained. This option would represent a lost opportunity to revitalise the towns of Koingnaas and Kleinzee.

Recommended enhancement measures

The WCR, in consultation with the NKLM, KLM, Northern Cape Provincial Government and relevant institutions, such as the South African Development Bank, should develop a strategy and plan aimed at promoting the development of Koingnaas and Kleinzee as sustainable, coastal towns.

4.3.5 Support for community initiatives

The Social and Labour Plan (SLP)(April 2015) outlines the community initiatives supported by WCRs. In terms of the Minerals and Petroleum Resources Development Act, No. 28 of 2002, the objectives of the Social and Labour is to indicate how the operation of WCRs operations will contribute to the social and economic welfare of the local communities in the area and the socio-economic development of the region.

The initiatives identified in the SLP to support socio-economic development are focused in various areas in the vicinity of the mining area. Table 4.2 provides a summary of the initiatives and the budget allocated over a 5 year period.

Based on information provided by Mr Ralph Losper (Human Resources Manager, WCR), the play park at Hondeklip Bay has been established (See Photograph 1.9). The play parks in Soebatsfontein, Kommaggas and Buffels River are scheduled for completion in 2016. In addition, WCRs are currently covering the salaries of two teachers in Hondeklip Bay, and one in Soebatsfontein, Kommaggas and Buffels River respectively. WCRs are therefore contributing to community initiatives in the area that support the welfare of the community and local socio-economic development.

Based on the feedback from the local community one of the key challenges facing the communities in Hondeklip Bay and Soebatsfontein was access to affordable public transport. There is no bus service that services the local small towns in the area and transport costs associated with travelling to towns such as Springbok, Garies and Kamieskroon are high. One of the key costs that local parents are faced is the cost of transporting children to the high school in Garies. The cost is R 300 per child. However, the school hostel closes every second weekend and parents have to arrange for their children to be transported back to Hondeklip Bay and the smaller settlements in the area. This equates to in the region of R 600 per month for parents with one child and more for parents with more than one child in high school. Due to the high transport costs a number of families cannot afford to send their children to high school. As a result they do not complete school and this places them at a disadvantage in later life.

The impact that these sorts of costs have on local families is highlighted by the information contained in Section 3.2, which indicates that, based on the data from the 2011 Census, 10.8% of households in the KLM have no formal income, 3.8% earn between 1 and R 4 800, 5.9% earn between R 4 801 and R 9 600 per annum, 22.4% between R 9 601 and R 19 600 per annum and 23.9% between R 19 600 and R 38 200 per annum (Census 2011). The poverty gap indicator developed by the World Bank Development indicates that an average family requires ~ R 3 200 per month. Based on this measure 66.8% of the households in the KLM live close to or below the poverty line. The low-income levels reflect the limited formal employment opportunities in the KLM.

The other issue identified by representatives from Hondeklip Bay was the lack of sports facilities for the youth. The only sport facility is the rugby field, which has no ablution facilities or change rooms. The cost associated with hiring transport for away games was also raised as an issue.

There are therefore a number of other opportunities for WCRs to assist local communities in the area, specifically when it comes to providing and or subsidising transport for school children and sports teams.

Table 4.6: Summary of community projects supported by WCRs

Community Area	Projects	5 Year Budget
Kamiesberg LM: Soebatsfontein	<ul style="list-style-type: none"> • Multi-Purpose Centre • Agricultural Project • Internet Cafe • Play Park 	R 2.5 million
Kamiesberg LM: Hondeklip Bay	<ul style="list-style-type: none"> • Teacher's salaries • Maintenance and upgrading of Hondeklip Bay Primary School • Internet Café • Play Park 	R 2.3 million
Nama Khoi LM: Kommaggas	<ul style="list-style-type: none"> • Teacher's salaries • Construct low water bridge to cemetery • Upgrade Komaggas Clinic • Drill boreholes for livestock water provision • Internet Café • Play Park 	R 2.4 million
Nama Khoi LM: Buffelsriver	<ul style="list-style-type: none"> • Teacher's salaries • Agricultural Project • Internet Café • Play Park • Upgrading of the school 	R 2.5 million
		R 9.7 million

Table 4.7: Assessment of support for community initiatives

Support for community initiatives		
	Without Mitigation	Assuming Enhancement
Severity/Intensity	Low	High
Duration	Medium term	Medium-term
Extent	Local	Local-Regional
Consequence	Medium	High
Probability	Likely	Likely
Significance	Medium	High
Status	Positive	Positive
Confidence	High	High
Nature of Cumulative impact	Positive cumulative impact linked to upliftment of local communities and improvement in social welfare	
Degree to which impact can be reversed	N/A	
Degree to which impact may cause irreplaceable loss of resources	N/A	
Degree to which impact can be enhanced	Low	

Assessment of No-Go option

Current status quo would be maintained. This option would represent a lost opportunity to contribute to local community initiatives.

Recommended enhancement measures

In addition to the projects identified in the SLP, WCR, in consultation with the local community representatives should investigate the option of providing free or subsidised transport for school children and sports teams. The option of establishing a subsidised bus service for local residents should also be investigated.

4.3.6 Risks posed by workers to local communities

Experience for other projects is that the presence of workers can pose a potential risk to local communities located in the vicinity of the site. While the presence of workers does not in itself constitute a social impact, the manner in which workers conduct themselves can affect the local community. In the case of local communities the most significant negative impact is associated with the disruption of existing family structures and social networks. This risk is linked to the potential behaviour of male workers, including:

- An increase in alcohol and drug use;
- An increase in crime levels;
- An increase in teenage and unwanted pregnancies;
- An increase in prostitution; and
- An increase in sexually transmitted diseases (STDs).

The impact on individual members of the community who are affected by the behavior of construction workers has the potential to be high, specifically if they are affected by crime and STDs etc. The potential risk posed by workers to individuals cannot be completely eliminated. The focus of the assessment is therefore on the potential impact on the community as whole.

The potential impacts on local communities associated with workers are typically associated with projects located in rural areas or small towns, such as Hondeklip Bay, where workers from outside the area are employed. The section of the community that is usually at most risk is younger women and school girls. However, young men can also be exposed to risks, including drugs.

However, as indicated above, 93% of the current work force come from and live in the local towns in the area. WCRs are also committed to maximizing the employment of locals for the remaining 150-200 positions that will be associated with full operation. The potential risk posed by workers to local communities is therefore likely to be low.

While the potential threat posed by workers to the community as a whole is likely to be low, the impact on individual members who are affected by the behavior of workers has the potential to be high, specifically if they are affected by STDs etc.

Table 4.8: Assessment of impact of workers on local communities

Impact of workers on family structures and social networks		
	Without Mitigation	Assuming Mitigation
Severity	Low	Low
Duration	Medium-term	Medium-term
Extent	Local	Local
Consequence	Low	Low
Probability	Unlikely	Unlikely
Significance	Low	Low
Status	Negative	Negative
Confidence	High	High
Nature of Cumulative impact	Impact on well-being and future opportunities for individuals and their families affected by unplanned pregnancy, and STDs, specifically HIV and or AIDS. Overall cumulative impact on community as a whole would be negligible.	
Degree to which impact can be reversed	Irreversible in case of HIV and or AIDS	
Degree to which impact may cause irreplaceable loss of resources	Low for community as a whole	
Degree to which impact can be mitigated	Low	

Assessment of No-Go option

Current status quo would be maintained. This option would represent a lost opportunity in terms of the creation of employment and business opportunities.

Recommended mitigation measures

The potential risks associated with workers can be mitigated. The aspects that should be covered include:

- The developer should seek to appoint a local workers and contractor/s to undertake the mining related work. Outside contractors should seek to employ local community members where possible;
- The developer in consultation with the appointed contractor/s should implement an HIV/AIDS awareness programme for all workers and members of the local communities throughout the life of mine.

4.3.7 Impact of mining related activities

Mining related activities have the potential to impact negatively on adjacent landowners and communities. The typical impacts include dust, noise and safety. The movement of heavy construction vehicles along local public roads in the area may also pose potential safety risks to other road users.

Based on the authors understanding of the project the majority of the mining and associated activities will take place within the mining area which is not open to the public. In some instances mining vehicles will travel along short sections of public

roads, for example the crossing near the entrance to Hondeklip Bay. However, the overall movement of heavy mining vehicles will be confined to private roads within the mining area. All mining activities are also confined to the mining area. No local settlements are located in close proximity to the areas identified for future mining. The potential impacts associated with mining related activities, such as noise and dust, are therefore likely to be negligible. In this regard none of the local residents interviewed indicated that mining related activities were a key concern.

The transport of heavy mining and plant equipment to the site may however pose potential risks to motorists. However, these risks can be effectively mitigated by implementing the measures listed below.

Table 4.9: Assessment of the impacts associated with mining activities

Potential noise, dust and safety impacts associated with mining related activities		
	Without Mitigation	Assuming Mitigation
Severity	Low	Low
Duration	Medium-term	Medium-term
Extent	Local-Site Specific	Local-Site Specific
Consequence	Low	Low
Probability	Unlikely	Unlikely
Significance	Low	Low
Status	Negative	Negative
Confidence	High	High
Nature of Cumulative impact	No significant cumulative impacts	
Degree to which impact can be reversed	N/A	
Degree to which impact may cause irreplaceable loss of resources	N/A	
Degree to which impact can be mitigated	Low	

Assessment of No-Go option

Current status quo would be maintained. This option would represent a lost opportunity in terms of the creation of employment and business opportunities.

Recommended mitigation measures

The recommendations covering mining operations contained in the EMPR should be implemented. The potential impacts associated with the transport of heavy mining and plant equipment to the site can be effectively mitigated. The aspects that should be covered include:

- Abnormal loads along N7 should be timed to avoid weekends and public holidays;
- All vehicles must be road-worthy and drivers must be qualified, made aware of the potential road safety issues, and need for strict speed limits.

4.3.8 Risk to abalone operations

The potential risk to abalone and crayfish operations along the coast has been assessed as part of the specialist marine assessment undertaken by Capricorn Marine Environmental (July 2016). The key findings as summarised in the Executive Summary of the report are presented below:

The immediate impact of both beach accretion and berm construction would be the physical loss of potential seeding area in and immediately adjacent to the mining target areas. The proposed mining areas would however target bays and sandy areas that are not expected to be primary seeding areas. Impacts are likely to be of high intensity and to persist over the medium to long term and are thus considered to be of **HIGH** significance. There are no mitigation practicable measures proposed. The construction of berms and general disturbance of the intertidal area would be expected to result in the generation of localised suspended sediment plumes, which may affect primary productivity, thereby reducing the availability and suitability of food for abalone. Due to the transient nature of such plumes, the potential impacts are considered to be of low intensity and are thus considered to be of **MEDIUM** to **LOW** significance. No mitigation measures are possible. The impact of restricted access to seeding sites is considered to be of high intensity in the medium-term of overall **MEDIUM** significance. The impact could be reduced to low significance if access to the specific locations could be expedited within a short time frame (24 hours) in order to allow windows of opportunity to be utilised.

Whereas abalone production and spin-off industries present numerous and plentiful opportunities for sustainable income creation, using local human and ecological asset bases, mining is an extractive industry and therefore has a lifespan. Regardless of employment opportunities that mining may afford, cognisance must be taken of the negative impacts the closing down of this sector will have on local economies. Aquaculture in general, and abalone in particular presents a viable option, both in terms of ecological sustainability as well as in terms of contribution to local economies in a culturally relevant way. Lack of mitigation assumes complete closure of abalone ranching operations without mitigation. The local to regional impacts of loss of seeded abalone due to mining is considered to be of high intensity in and adjacent to the mining target areas. Impacts are considered to be of **HIGH** significance.

Comment

From a social perspective the risk to the current abalone operations is an issue that will need to be addressed as part of the mining programme. It is also worth noting that mining operations are temporary in nature. The opportunity to resume abalone farming once marine mining operations have ceased is therefore likely. This feasibility of this should be confirmed by the marine specialists.

4.4 ASSESSMENT OF DECOMMISSIONING

Closure or decommissioning marks the end of a project. As in the planning stage, the social effects of closure begin when the intent to close is announced or rumours start to circulate. The social impacts area typically linked to loss of jobs. In terms of South Africa the Mineral and Petroleum Resources Development Act, 2002, (Act No 28 of 2002) (MPRDA), the potential impacts associated with downscaling and retrenchments must be addressed in the SLP. In this regard one of the objectives of the SLP is to provide mine workers with additional skills, save jobs and manage downscaling and/or closure.

The SLP prepared by WCRSs indicates that WCRs will develop strategies that will be implemented over the life cycle of the mine that will gradually replace mining activities. These strategies include the establishment of a Future Forum as required

under Regulation 46 (d)(i) of the regulations of the MPRDA. The key objectives of the Future Forum will be to:

- Negotiate and take measures to avoid large-scale job losses;
- Ameliorate the social and economic impact of job losses;
- Anticipate the possibility of job losses and implement contingency plans;
- Give timeous warning to affected individuals to improve their chances of finding alternative employment;.
- Provide employees assistance that is affected.
- Promote portability of skills through the effective implementation of training initiatives that will lead to up-skilling that may be applied inside or outside the mining industry.
- Inform and ensure continuous communication with the workforce on all SLP matters.
- Discuss industry trends and challenges on an on-going basis.

In the case of the proposed project, the WCRs employees are aware that the life of mine is 10-15 years. In addition, unlike the previous De Beers operations, employees will not be provided with free housing, services and schooling for children etc. This created a dependency mentality which exacerbated the impact on workers and families when the De Beers operations were closed down.

Table 4.10: Assessment of closure and decommissioning

Impact of closure and decommissioning		
	Without Mitigation	Assuming Mitigation
Severity	Moderate	Low
Duration	Medium-term	Medium-term
Extent	Local-Regional	Local-Regional
Consequence	Moderate	Moderate
Probability	Likely	Unlikely
Significance	High	Low
Status	Negative	Negative
Confidence	High	High
Nature of Cumulative impact	Impact on local and regional economy associated with job losses and impact on local suppliers	
Degree to which impact can be reversed	N/A	
Degree to which impact may cause irreplaceable loss of resources	N/A	
Degree to which impact can be mitigated	High	

Assessment of No-Go option

Current status quo would be maintained. This option would represent a lost opportunity in terms of the creation of employment and business opportunities.

Recommended enhancement measures

Requirements set out in the SLP should be implemented.

4.5 ASSESSMENT OF NO-DEVELOPMENT OPTION

As indicated above, WCR concluded a transaction with De Beers in October 2014 whereby WCR acquired, amongst others, the KNC and SBC mining rights. Both these rights have been exploited by De Beers for over 60 years and the diamond resources on land are largely depleted. What remains are very low grade or buried under thick overburden. The key remaining high value diamond resources remaining are those that De Beers could not access due to:

- Its proximity to the Trans Hex owned marine concessions; and
- Deposits that DBCM discovered towards the end of the life of their operation. The majority of these deposits are located directly adjacent to the coast, on the beaches or in the shallow marine environment.

The shareholders of WCR together with the Industrial Development Corporation (IDC) has invested over R250 million to date to recapitalize the operations at Koinaas. This investment has resulted in the creation of over 100 permanent employment opportunities, the majority of which has been filled by people from the nearby towns and the broader Namaqualand community. The project is expected to have a life of mine of 10-15 and create 250-300 permanent jobs over this period.

The no-development alternative would result in a lost opportunity to create employment and business opportunities associated with the proposed mining operations. The no-development option would also result lost opportunity to support local community initiatives in the area and act as a catalyst to revitalise the towns of Koinaas and Kleinsee. The no-development option is therefore not supported.

Table 4.11: Assessment of no-development option

No-development option would result in the lost opportunity for the local economy and community		
	Without Mitigation	Assuming Enhancement
Severity/Intensity	High	High
Duration	Medium term	Medium-term
Extent	Local-Regional	Local-Regional
Consequence	High	High
Probability	Likely	Likely
Significance	High	High
Status	Negative	Positive
Confidence	High	High
Nature of Cumulative impact	Negative cumulative impact linked to lost opportunity for local economy and communities. Positive cumulative impact linked to benefit for opportunity for local economy and communities.	
Degree to which impact can be reversed	N/A	
Degree to which impact may cause irreplaceable loss of resources	N/A	
Degree to which impact can be enhanced	High	

Recommended enhancement measures

The proposed mining operations proposed by WCRs would represent an enhancement measure. However, the potential issues identified by the SIA and other studies undertaken as part of the EIA should be addressed.