

1 Non-Technical Summary - English

Ilitha Telecommunications (Pty) Ltd (Ilitha), is finalising financing from the Development Bank of South Africa (DBSA) for the placement and operation of the aerial fibre optic network in KwaMashu, Inanda, Phoenix, and Ntuzuma, in the eThekweni Municipality.

Aerial deployment of a fibre optic network offers significant cost reductions compared to traditional trenching methods. Design of the Ilitha aerial fibre network will closely resemble the existing electricity distribution network in most residential areas. This will enable pricing to be more affordable compared to traditional data providers.

Ilitha will manage the fibre optic infrastructure as a full Open Access Network. Open Access means that wholesale access is provided to internet service providers (“ISPs”) on terms that are reasonable, effective, transparent and non-discriminatory.

The footprint of the Ilitha fibre roll out will stretch across a 96.2 km² area which covers communities in KwaMashu, Inanda, Phoenix, and Ntuzuma. below indicates the locality of the proposed fibre development area in relation to the eThekweni Metro as a whole. The project area is situated approximately 12 kilometres north of Durban and is bordered by Reservoir Hills & Newlands East to the south, KwaDabeka & Molweni to the west, Mount Edgecombe & Blackburn Estate to the east and Mawothi & Trenance Park to the north.

The Development Bank of Southern Africa (DBSA) supports investments which demonstrate responsible environmental and social practices. Environmental and social considerations are integrated into all DBSA investment decision making processes. Policy documents, guidelines and tools which aim to mainstream environmental and social considerations into DBSA operations to promote sustainable development includes the DBSA Environmental and Social Safeguard Standards.

The DBSA’s ESSS’s detail the standards used by the DBSA to manage social and environmental risks in its investment decision making as well as providing potential DBSA clients with a reference to guide the preparation of infrastructure projects for financing.

The ESSS’s applicable to this assessment are:

- ESSS 1: Project Screening: Environmental & Social Risks, Impacts & Opportunities
- ESSS 2: Stakeholder Engagement & Information Disclosure
- ESSS 3: Gender Mainstreaming
- ESSS 6: Labour & Working Conditions
- ESSS 7: Community Health & Safety
- ESSS 8: Cultural Heritage
- ESSS 9: Biodiversity Conservation & Sustainable Living Resources Management
- ESSS 10: Resource Efficiency, Pollution Prevention & Management

The following DBSA ESSS’s are assessed to be not applicable to the ESIA:

- ESSS 4: Indigenous Peoples: The Project does not reach, nor will not have any impact on Indigenous Peoples.
- ESSS 5: Development Induced Displacement & Resettlement: The Project will not result in any Development Induced Displacement & Resettlement.
- ESSS 11: Safety of Dams: The Project does not involve the construction of any dams that would require expert safety requirements and assessment.

Please note that this Project is not an Environmental Impact Assessment (EIA) in terms of the EIA Regulations, as promulgated by The National Environmental Management Act of South Africa, but is being undertaken in terms of the DBSA’s Environmental and Social Safeguard Standards (ESSS’s), 2020.

The primary finding of this ESIA are:

The assessment of biodiversity risks thus concludes that the overall risks to biodiversity are low. Several sensitive biodiversity receptors are present within the affected area including some vegetation units and

species having an elevated conservation status, largely due to transformation of lands either from historical sugar cane farming or more recent urbanisation which has resulted either in a significant loss of available habitat or direct loss of species. Several identified species are also considered to be of medicinal value locally and historical rampant harvesting within the informal medicinal plant trade has also decimated these species. Remnant vegetation tends to be confined to undevelopable areas on steep slopes, along drainage lines and watercourses and low-level, flat areas either having wetlands or being prone to significant flooding.

The landscape in which the aerial optical fibre network is to be installed is highly modified because of urbanisation and landscape is overall poor. Where remnant natural vegetation is still present, these are generally considered to be of high conservation value and any further loss or impact must be minimised.

In the terrestrial ecology context, the site should largely be considered modified habitat in its entirety, with several pockets of natural and semi natural vegetation forming a network interconnected corridor. It has not to date been confirmed that they are habitat for any specific Endangered or Critically Endangered flora or terrestrial faunal species and no restricted range or endemic flora species have been recorded.

From a socio-economic perspective the project will assist in integration of disadvantaged areas into the modern economy by providing them access to the internet through a stable and cost-effective mechanism from their place of residence.

The project has the potential to produce both negative and positive impacts. Positive impacts include the increased contribution to GDP and production, employment, skills development, household income, government revenue, gender mainstreaming, improved opportunities for business and educational attainment and digital inclusivity amongst others. Negative impacts include changes in sense of place, crime and social conflicts, addiction, changes to social fabric and access to illegal and illicit resources. These concerns are valid, and the proponent will need to implement numerous mitigation measures that will eliminate or reduce the level of significance resulting from these potential impacts. The review of the net effects of the project and the trade-offs between positive and negative impacts suggest that positive effects and impacts would outweigh any negative effects.

In conclusion, from a socio-economic perspective, the proposed project is expected to lead to a net positive socio-economic effect should the project proceed. Mitigations to the identified impacts should be adequately addressed and the mitigation measures proposed in this report should be included in the project mitigation and management plan.

Comment – PROJECT ISIZWE

It is recommended that a carbon footprinting report be provided by the chosen fibre optic supplier for the fibre optic manufacturing process as well as all transportation emissions from production facilities to the project site. The report should clearly describe the methodology employed to determine the carbon footprint and what mitigation/abatement technologies are utilised to minimise the footprint.

No Grievances were registered with the ESIA phase of the project.

This ESIA Report concludes that the proposed Aerial Fibre Optic Project is expected to have impact on the environmental, social, socio-economic, community health and safety and heritage settings of this area, mitigation measures recommended throughout this report will be adequate reducing the impact thereof.

An Environmental & Social Action Plan has been recommended as a further outcome of this ESIA, and which provides further recommendations of effective management of environmental, social and community health and safety matters primarily during the construction phase of the project.

In order to ensure Disclosure of this ESIA, the ESIA Report and supporting documentation are available for download from the **Trusted Partners** website <https://www.trustedpartners.africa/project-disclosure/>.

The ESIA Report and supporting documentation will remain available until at least July 31, 2021, after which they may be obtained on request from Ilitha Telecommunications (Pty) Ltd.

2 Non-Technical Summary - Zulu

3 Introduction

South Africa is currently experiencing a major uptrend in household fixed-broadband-connectivity. Fixed-broadband-connectivity offers consumers uncapped and uninterrupted access to the internet.

Fixed broadband infrastructure is expensive to deploy, thus infrastructure owners have (to date) dedicated investments to the more affluent areas. This has led to underinvestment in fixed broadband infrastructure in lower-income and rural areas and resulting in an accentuation in digital inequality. Consumers in these areas are limited in options and are typically forced to use more expensive mobile connectivity products to connect to the internet.

Ilitha Telecommunications (Pty) Ltd (Ilitha), is finalising financing from the Development Bank of South Africa (DBSA) for the placement and operation of the aerial fibre optic network in KwaMashu, Inanda, Phoenix, and Ntuzuma, in the eThekweni Municipality.

Aerial deployment of a fibre optic network offers significant cost reductions compared to traditional trenching methods. Design of the Ilitha aerial fibre network will closely resemble the existing electricity distribution network in most residential areas. This will enable pricing to be more affordable compared to traditional data providers.

Ilitha will manage the fibre optic infrastructure as a full Open Access Network. Open Access means that wholesale access is provided to internet service providers (“ISPs”) on terms that are reasonable, effective, transparent and non-discriminatory.

Please note that this Project is *not an Environmental Impact Assessment (EIA) in terms of the EIA Regulations*, as promulgated by The National Environmental Management Act of South Africa, but is being undertaken in terms of the DBSA Environmental and Social Safeguard Standards (ESSS), 2020.

4 Project Area

The footprint of the Ilitha fibre roll out will stretch across a 96.2 km² area which covers communities in KwaMashu, Inanda, Phoenix, and Ntuzuma. **Error! Reference source not found.** below indicates the locality of the proposed fibre development area in relation to the eThekweni Metro as a whole. The project area is situated approximately 12 kilometres north of Durban and is bordered by Reservoir Hills & Newlands East to the south, KwaDabeka & Molweni to the west, Mount Edgecombe & Blackburn Estate to the east and Mawothi & Trenance Park to the north.