

**SOCIAL IMPACT ASSESSMENT**

**WAGT PV1 SOLAR ENERGY FACILITY**

**NORTHERN CAPE PROVINCE**

**JUNE 2022**

**Prepared**

**By**

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# **EXECUTIVE SUMMARY**

## **INTRODUCTION AND LOCATION**

Savannah Environmental was appointed to manage the Environmental Impact Assessment (EIA) process for the proposed 100 MW Wagt Solar PV1 Solar Energy Facility (SEF) located approximately 10 km east of the town of De Aar in the Northern Cape Province. A Battery Energy Storage System (BESS) will be attached to the PV SEF. The project site is situated within the Emthanjeni Local Municipality (ELM), which is located within the Pixley Ka Seme District Municipality (PKSDM). The Wagt PV1 SEF is one of four 100 MW PV SEFs proposed in the area and referred to as the Pixely Park PV Cluster.

Tony Barbour Environmental Consulting was appointed to undertake a specialist Social Impact Assessment (SIA) as part of an EIA process.

## **SUMMARY OF KEY FINDINGS**

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

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

## **POLICY AND PLANNING ISSUES**

The development of renewable energy is strongly supported at a national, provincial, and local level. The development of and investment in renewable energy is supported by the National Development Plan (NDP), New Growth Path Framework and National Infrastructure Plan, which all refer to and support renewable energy. The PKSDM SDF and IDP and ELM IDP also support the development of renewable energy. The development of the proposed SEF is therefore supported by key policy and planning documents.

## **CONSTRUCTION PHASE**

The key social issues associated with the construction phase include:

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#### **Potential positive impacts**

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

The construction phase will extend over a period of ~ 18 months and create approximately 250 employment opportunities. The total wage bill for the construction phase is estimated to be in the region of R 40 million (2022 Rand value). The

majority of the employment opportunities, specifically the low and semi-skilled opportunities, are likely to be available to local residents in the area, specifically residents from De Aar. The majority of the beneficiaries are likely to be historically disadvantaged (HD) members of the community. This would represent a significant positive social benefit in an area with limited employment opportunities. However, in the absence of specific commitments from the developer to employ local contractors the potential for meaningful skills to local employment targets the benefits for members from the local communities may be limited. In addition, the low education and skills levels in the area may also hamper potential opportunities for local communities.

The potential benefits for local communities are confirmed by the findings of the Overview of the IPPPP undertaken by the Department of Energy, National Treasury and DBSA (June 2020). The review found that by the end of June 2020 the construction phase of the 68 renewable energy projects that had been successfully completed had created 33 449 job years<sup>1</sup> of employment, compared to the anticipated 23 619. This was 42% more than planned. The study also found that significantly more people from local communities were employed during construction than was initially planned.

The capital expenditure associated with the construction phase will be in the region of R 1-1.5 billion (2022 Rand value). A percentage of the wage bill will also be spent in the local economy which will create opportunities for local businesses in De Aar. The sector of the local economy that is most likely to benefit from the proposed development is the local service industry. The potential opportunities for the local service sector would be linked to accommodation, catering, cleaning, transport, and security, etc. associated with the construction workers on the site.

### **Potential negative impacts**

- Impacts associated with the presence of construction workers on local communities.
- Impacts related to the potential influx of job seekers.
- Increased risks to livestock and farming infrastructure associated with the construction related activities and presence of construction workers on the site.
- Increased risk of grass fires associated with construction related activities.
- Noise, dust, and safety impacts of construction related activities and vehicles.
- Impact on productive farmland.

The findings of the SIA indicate that the significance of all the potential negative impacts with mitigation were **Low Negative**. The potential negative impacts can therefore be effectively mitigated if the recommended mitigation measures are implemented. Table 1 summarises the significance of the impacts associated with the construction phase.

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<sup>1</sup> The equivalent of a full-time employment opportunity for one person for one year

**Table 1: Summary of social impacts during construction phase**

<b>Impact</b>	<b>Significance No Mitigation / Enhancement</b>	<b>Significance With Mitigation / Enhancement</b>
<b>Creation of employment and business opportunities</b>	Medium (+)	Medium (+)
<b>Presence of construction workers and potential impacts on family structures and social networks</b>	Medium (-)	Low (-)
<b>Influx of job seekers</b>	Low (-)	Low (-)
<b>Safety risk, stock theft and damage to farm infrastructure associated with presence of construction workers</b>	Medium (-)	Low (-)
<b>Increased risk of veld fires</b>	Medium (-)	Low (-)
<b>Impact of construction activities and vehicles</b>	Medium (-)	Low (-)
<b>Loss of farmland</b>	Medium (-)	Low (-)

## **OPERATIONAL PHASE**

### **Potential positive impacts**

- The establishment of infrastructure to generate renewable energy.
- Creation of employment and business opportunities. The operational phase will also create opportunities for skills development and training.
- Benefits associated with the establishment of a Community Trust.
- Generation of income for affected landowner/s.

### ***Development of renewable energy infrastructure***

The establishment of renewable energy infrastructure, such as the proposed SEF, should be viewed, firstly within the context of the South Africa's current reliance on coal powered energy to meet the majority of its energy needs, and secondly, within the context of the success of the REIPPPP.

The Green Jobs study (2011) notes that South Africa has one of the most carbon-intensive economies in the world, thus making the greening of the electricity mix a national imperative. The Greenpeace Report (Powering the future: Renewable Energy Roll-out in South Africa, 2013), notes that within a broader context of climate change, coal energy does not only have environmental impacts, but it also has socio-economic impacts. Acid mine drainage from abandoned mines in South Africa impacts on water quality and poses the biggest threat to the country's limited water resources. Huge volumes of water are also required to wash coal and cool operating power stations.

The National Climate Change Response White Paper outlines the national response to the impacts of climate change, as well as the domestic contribution to international efforts to mitigate green-house gas emissions. As part of the global commitment, South Africa is targeting an emissions trajectory that peaks at 34% below a "business as usual" case in 2020, 42% below in 2025 and from 2035 declines in absolute terms. The emission reductions between March 2018 and 2019 are estimated to be 10.9 million tonnes of CO<sub>2</sub>. This represents 53% of the total projected annual emission reductions achieved with only partial operation to date. Since operation, the IPPs have generated 35 699 GWh, resulting in 36.2 Mton of CO<sub>2</sub>

emissions being offset and saving 42.8 million kilolitres of water related to fossil fuel power generation.

The REIPPPP had therefore contributed significantly towards meeting South Africa's GHG emission targets and, at the same time, supporting energy security, economic stability, and environmental sustainability. The establishment of renewable energy facilities, such as the proposed SEF, therefore, not only address the environmental issues associated with climate change and consumption of scarce water resources, but also creates significant socio-economic opportunities and benefits, specifically for historically disadvantaged, rural communities.

### ***Creation of employment and business opportunities***

The total number of permanent employment opportunities would be ~ 20. The majority of low and semi-skilled beneficiaries are likely to be HD members of the community. Given the location of the proposed facility the majority of permanent staff is likely to reside in De Aar.

Procurement during the operational phase will also create opportunities for the local economy and businesses. In this regard the overview of the IPPPP (June 2020) notes that the operational phase procurement spend over the 20 year for BW1 to BW4, 1S2 and 2S2 will be in the region of R 73.1 billion. The Green Jobs study (2011) also found that energy generation is expected to become an increasingly important contributor to green job creation over time, as projects are constructed or commissioned. The study notes that largest gains are likely to be associated with O&M activities. In this regard, O&M employment linked to renewable energy generation plants will also be substantial in the longer term.

### ***Community Trust***

The establishment of a community benefit structure (typically, a Community Trust) also creates an opportunity to support local economic development in the area. The requirement for the project to allocate funds to socio-economic contributions (through structures such as Community Trusts) provides an opportunity to advance local community projects, which is guaranteed for a 20-year period (project lifespan). The revenue from the proposed SEF can be used to support a number of social and economic initiatives in the area, including but not limited to:

- Creation of jobs.
- Education.
- Support for and provision of basic services.
- School feeding schemes.
- Training and skills development.
- Support for SMME's.

The 2020 IPPP Overview notes that the SED contributions associated with the 68 IPPs has to date has amounted to R 1.2 billion. The province with the highest SED contribution has been the Northern Cape Province, followed by the Eastern Cape and Western Cape. To date (across seven bid windows) a total contribution of R23.1 billion has been committed to SED initiatives. Assuming an even, annual revenue spread, the average contribution per year would be R1.2 billion. Of the total commitment, R18.8 billion is specifically allocated for local communities where the IPPs operate. With every new IPP on the grid, revenues and the respective SED contributions will increase.

The long-term duration of the contributions from the SEF also enables local municipalities and communities to undertake long term planning for the area. Experience has, however, shown that Community Trusts can be mismanaged. This issue will need to be addressed in order to maximise the potential benefits associated with the establishment of a Community Trust or other community benefit structure (entity). The REIPPPP does however have stringent audit requirements in place to try and prevent the mismanagement of trusts.

**Benefits to landowners**

The income from the SEF reduces the risks to the livelihoods of the affected landowners posed by droughts and fluctuating market prices for sheep and farming inputs, such as fuel, feed etc. The additional income from the SEF would improve economic security of farming operations, which in turn would improve job security of farm workers and benefit the local economy.

**Potential negative impacts**

- The visual impacts and associated impact on sense of place.
- Potential impact on tourism.

The findings of the SIA indicate that the significance of all the potential negative impacts, with the exception of the impact on sense of place, with mitigation were **Low Negative**. The potential negative impacts can therefore be effectively mitigated if the recommended mitigation measures are implemented. Table 2 summarises the significance of the impacts associated with the operation phase.

**Table 2: Summary of social impacts during operational phase**

<b>Impact</b>	<b>Significance No Mitigation</b>	<b>Significance With Mitigation</b>
<b>Promotion of renewable energy projects</b>	High (+)	High (+)
<b>Creation of employment and business opportunities</b>	Low (+)	Medium (+)
<b>Establishment of Community Trust</b>	Medium (+)	High (+)
<b>Generate income for affected landowner/s</b>	Low (+)	Medium (+)
<b>Visual impact and impact on sense of place</b>	Medium (-)	Medium (-)
<b>Impact on tourism</b>	Low (-)	Low (-)

**CUMULATIVE IMPACTS**

**Cumulative impact on sense of place**

The Pixely Park PV Cluster involves the establishment of four SEFs. The potential for cumulative impacts associated with combined visibility (whether two or more solar facilities will be visible from one location) and sequential visibility (e.g., the effect of seeing two or more solar facilities along a single journey therefore exists. The significance of the impact is rated as **Medium Negative**.

### ***Cumulative impact on services***

The establishment of the proposed SEF and the other REFs in the ELM may place pressure on local services, specifically medical, education and accommodation. This pressure will be associated with the potential influx of workers to the area associated with the construction and operational phases of renewable energy projects proposed in the area, including the proposed SEF. The potential impact on local services can be mitigated by employing local community members. With effective mitigation the impact is rated as **Medium Negative**.

In addition, as indicated below, this impact should also be viewed within the context of the potential positive cumulative impacts for the local economy associated with the establishment of renewable energy as an economic driver in the area.

### ***Cumulative impact on local economies***

In addition to the potential negative impacts, the establishment of the proposed SEF and other renewable energy projects in the area also has the potential to create a number of socio-economic opportunities for the ELM, which, in turn, will result in a positive social benefit. The positive cumulative impacts include creation of employment, skills development and training opportunities, creation of downstream business opportunities. The Community Trusts associated with each project will also create significant socio-economic benefits. These benefits should also be viewed within the context of the limited economic opportunities in the area and the impact of the decline in the mining sector in recent years. This benefit is rated as **High Positive** with enhancement.

## **DECOMMISSIONING**

The number of people employed during the operational phase will be in the region of ~ 20. The potential negative social impacts on these employees as a result of decommissioning of the facility can be effectively managed through the implementation of a retrenchment and downscaling programme. With mitigation, the impacts are assessed to be **Low Negative**.

## **NO-DEVELOPMENT OPTION**

The No-Development option would represent a lost opportunity for South Africa to supplement its current energy needs with clean, renewable energy. Given South Africa's position as one of the highest per capita producers of carbon emissions in the world, this would represent a High negative social cost. The no-development option also represents a lost opportunity in terms of the employment and business opportunities (construction and operational phase) associated with the proposed SEF, and the benefits associated with the establishment of a Community Trust. This also represents a negative social cost.

However, at a provincial and national level, it should be noted that the SEF development proposal is not unique. In that regard, a significant number of renewable energy development, including SEFs, are currently proposed in the Northern Cape Province and South Africa. Foregoing the proposed SEF development would therefore not necessarily compromise the development of renewable energy facilities in the Northern Cape or South Africa. However, the socio-economic benefits for the ELM would be forfeited.

## **CONCLUSIONS AND RECOMMENDATIONS**

### ***Conclusions***

The findings of the SIA indicate that the development of the proposed 100 MW Wagt PV SEF and associated infrastructure will create employment and business opportunities for locals in the ELM during both the construction and operational phase of the project. All of the potential negative impacts, with the exception of the impact on sense of place, can also be effectively mitigated.

The establishment of a Community Trust will also benefit the local community. The enhancement measures listed in the report should be implemented in order to maximise the potential benefits. The significance of this impact is rated as **High Positive**. The proposed development also represents an investment in clean, renewable energy infrastructure, which, given the negative environmental and socio-economic impacts associated a coal-based energy economy and the challenges created by climate change, represents a significant positive social benefit for society as a whole. The findings of the SIA also indicate that the Renewable Energy Independent Power Producers Procurement Programme (REIPPPP) has resulted in significant socio-economic benefits, both at a national level and at a local, community level. These benefits are linked to foreign Direct Investment, local employment and procurement and investment in local community initiatives. The establishment of the proposed 100 MW Wagt PV SEF and associated infrastructure including a battery energy storage system (BESS) is therefore supported by the findings of the SIA.

### ***Recommendations***

The enhancement and mitigation measures outlined in the SIA and other key specialist reports should be implemented.



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<b>Regulation GNR 326 of 4 December 2014, as amended 7 April 2017, Appendix 6</b>	<b>Section of Report</b>
(a) details of the specialist who prepared the report; and the expertise of that specialist to compile a specialist report including a <i>curriculum vitae</i> ;	Section 1.5, Annexure A
(b) a declaration that the specialist is independent in a form as may be specified by the competent authority;	Section 1.6, Annexure B
(c) an indication of the scope of, and the purpose for which, the report was prepared;	Section 1.1, Section 1.2
(cA) an indication of the quality and age of base data used for the specialist report;	Section 1.2, Section 3,
(cB) a description of existing impacts on the site, cumulative impacts of the proposed development and levels of acceptable change;	Section 4
(d) the duration, date and season of the site investigation and the relevance of the season to the outcome of the assessment;	Interviews in 2021 (Annexure A)
(e) a description of the methodology adopted in preparing the report or carrying out the specialised process inclusive of equipment and modelling used;	Section 1.2, Annexure B
(f) details of an assessment of the specific identified sensitivity of the site related to the proposed activity or activities and its associated structures and infrastructure, inclusive of a site plan identifying site alternatives;	Section 4, Section 5,
(g) an identification of any areas to be avoided, including buffers;	Section 4
(h) a map superimposing the activity including the associated structures and infrastructure on the environmental sensitivities of the site including areas to be avoided, including buffers;	Refer to Visual Impact Assessment (VIA)
(i) a description of any assumptions made and any uncertainties or gaps in knowledge;	Section 1.4,
(j) a description of the findings and potential implications of such findings on the impact of the proposed activity, including identified alternatives on the environment, or activities;	Section 4, Section 5
(k) any mitigation measures for inclusion in the EMPr;	Section 4
(l) any conditions for inclusion in the environmental authorisation;	Section 4, Section 5
(m) any monitoring requirements for inclusion in the EMPr or environmental authorisation;	N/A
(n) a reasoned opinion— i. as to whether the proposed activity, activities or portions thereof should be authorised; iA. Regarding the acceptability of the proposed activity or activities; and ii. if the opinion is that the proposed activity, activities or portions thereof should be authorised, any avoidance, management and mitigation measures that should be included in the EMPr or Environmental Authorization, and where applicable, the closure plan;	Section 5.3
(o) a description of any consultation process that was undertaken during the course of preparing the specialist report	Annexure A, lists key stakeholders interviewed
(p) a summary and copies of any comments received during any consultation process and where applicable all responses thereto; and	Annexure A, lists key stakeholders interviewed
(q) any other information requested by the competent authority	N/A
Where a government notice gazetted by the Minister provides for any protocol or minimum information requirement to be applied to a specialist report, the requirements as indicated in such notice will	Comply with the Assessment Protocols that were

<p>apply.</p>	<p>published on 20 March 2020, in Government Gazette 43110, GN 320. This specifically includes Part A, which provides the Site Sensitivity Verification Requirements where a Specialist Assessment is required but no Specific Assessment Protocol has been prescribed. As at September 2020, there are no sensitivity layers on the Screening Tool for Socio-economic-features. Part A has therefore not been compiled for this assessment.</p>
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## ACRONYMS

BESS	Battery Energy Storage System
DEA	Department of Environmental Affairs
DEA&DP	Department of Environmental Affairs and Development Planning
DM	District Municipality
EIA	Environmental Impact Assessment
ELM	Emthanjeni Local Municipality
HD	Historically Disadvantaged
IDP	Integrated Development Plan
IPP	Independent Power Producer
kV	Kilovolts
LED	Local Economic Development
LM	Local Municipality
MW	Megawatt
NC	Northern Cape
NCPPGDS	Northern Cape Province Provincial Growth and Development Strategy
NCSDF	Northern Cape Spatial Development Framework
SEF	Solar Energy Facility
PGDS	Provincial Growth and Development Strategy
PKSDM	Pixley Ka Seme District Municipality
SDF	Spatial Development Framework
SIA	Social Impact Assessment
SIA	Social Impact Assessment

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## SECTION 1: INTRODUCTION

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### 1.1 INTRODUCTION

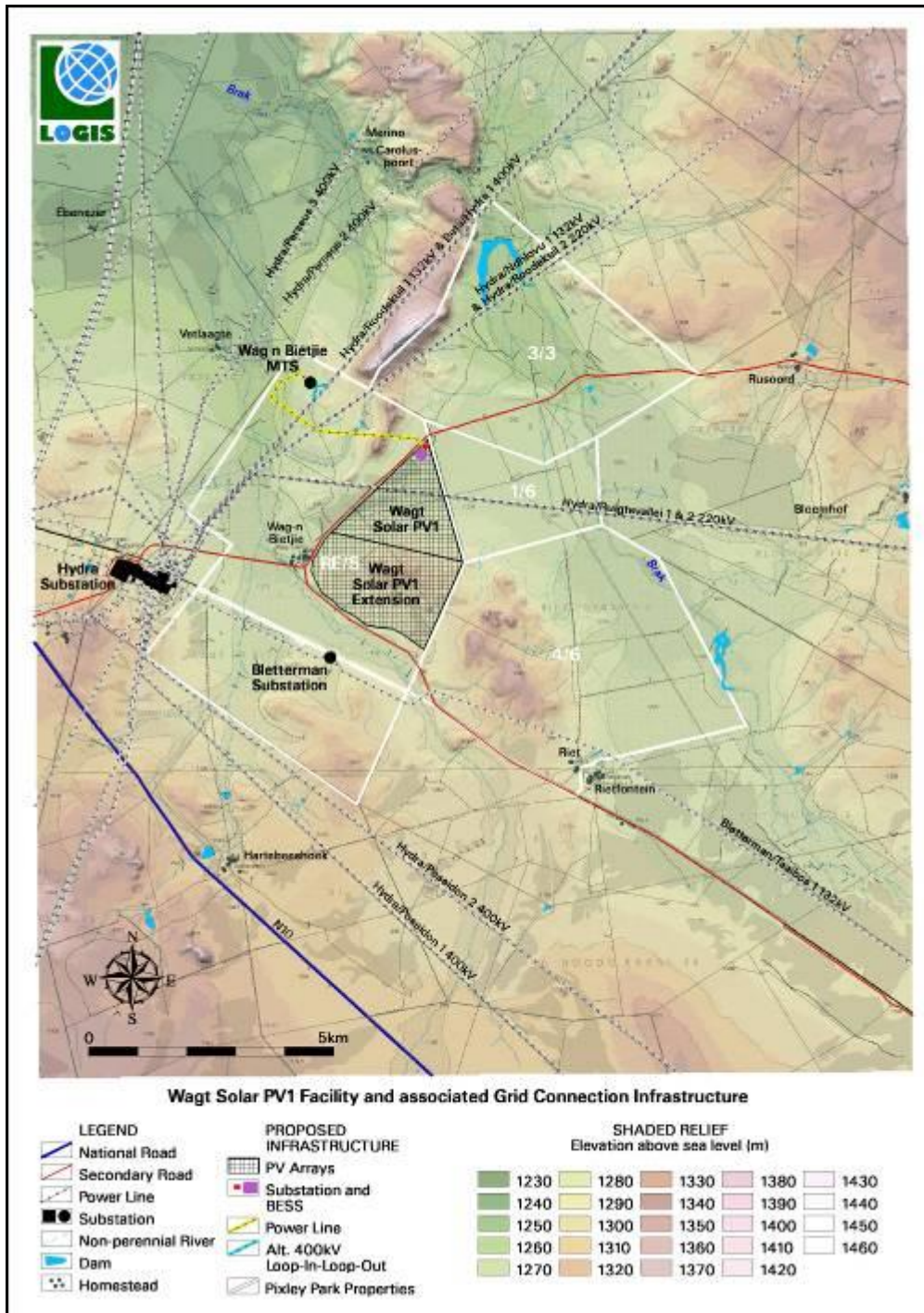
Savannah Environmental was appointed to manage the Environmental Impact Assessment (EIA) process for the proposed 100 MW Wagt Solar PV1 Solar Energy Facility (SEF) located approximately 10 km east of the town of De Aar in the Northern Cape Province. A Battery Energy Storage System (BESS) will be attached to the PV SEF. The project site is situated within the Emthanjeni Local Municipality (ELM), which is located within the Pixley Ka Seme District Municipality (PKSDM). The Wagt PV1 SEF is one of four 100 MW PV SEFs proposed in the area and referred to as the Pixely Park PV Cluster (Figure 1.1 and 1.2).

Tony Barbour Environmental Consulting was appointed to undertake a specialist Social Impact Assessment (SIA) as part of an EIA process.



**Figure 1.1: Location of Pixely Park PV Cluster (Red Arrow)**





Source: Logis VIA

**Figure 1.2: Location of Wagt PV SEF**

## 1.2 TERMS OF REFERENCE AND APPROACH TO STUDY

The terms of reference for the SIA require:

- A description of the environment that may be affected by the activity and the manner in which the environment may be affected by the proposed facility.

- A description and assessment of the potential social issues associated with the proposed facility.
- Identification of enhancement and mitigation aimed at maximising opportunities and avoiding and or reducing negative impacts.

The approach to the SIA is based on the Western Cape Department of Environmental Affairs and Development Planning (DEA&DP) Guidelines for Social Impact Assessment (DEA&DP, 2007). The key activities in undertaken as part of the SIA process as embodied in the guidelines included:

- Describing and obtaining an understanding of the proposed intervention (type, scale, and location), the settlements, and communities likely to be affected by the proposed project.
- Collecting baseline data on the current social and economic environment.
- Identifying the key potential social issues associated with the proposed project.
- Site visit.
- Semi-structured interviews with key stakeholders and affected individuals and communities.
- Assessing and documenting the significance of social impacts associated with the proposed intervention.
- Consideration of other renewable energy projects that may pose cumulative impacts; and
- Identification of enhancement and mitigation measures aimed at maximizing opportunities and avoiding and or reducing negative impacts.

The identification of potential social issues associated with the proposed project is based on observations during the project site visit, review of relevant documentation, experience with similar projects and the general area. Annexure A contains a list of the secondary information reviewed and interviews conducted. Annexure B summarises the assessment methodology used to assign significance ratings to the assessment process.

### **1.3 PROJECT DESCRIPTION**

Wagt Solar PV1 (Pty) Ltd is proposing the development of a Photovoltaic (PV) Solar Energy Facility and associated infrastructure on Farm Wag 'n Bietjie Annex C 137 and Farm Wag 'n Bietjie No. 5, located approximately 10km east of De Aar within the Emthanjeni Local Municipality (ELM) in the Northern Cape Province. The facility will have a contracted capacity of up to 100MW and will be known as Wagt Solar PV1. The project is planned as part of a cluster of renewable energy facilities known as Pixley Park PV Cluster, which includes three (3) additional 100MW Solar PV Facilities (Rietfontein PV1, Fountain PV1, and Carolus PV1), and grid connection infrastructure connecting the facilities to the existing Hydra Substation. The projects will all connect to the new Vetlaagte Main Transmission Substation (MTS) via the Wag 'n Bietjie MTS.

Infrastructure associated with the Solar PV Facility will include the following:

- Solar PV array comprising bifacial PV modules and mounting structures, using single axis tracking technology (Photograph 1.1).
- Inverters and transformers.
- Cabling between the panels.
- Battery Energy Storage System (BESS) (Photograph 1.2).
- Laydown areas, construction camps, site offices.



- 12m wide Access Road and entrance gate to the project site and switching station.
- 6m wide internal distribution roads.
- Operations and Maintenance Building, Site Offices, Ablutions with conservancy tanks, Storage Warehouse, workshop, Guard House.
- Onsite 132kV IPP Substation, including the HV Step-up transformer, and MV Interconnection building.
- 132kV Overhead Power Line (OHPL) – 30m height from the switching station to the Main Transmission Substation (MTS) located on farms Vetlaagte and Wagt, which is to be handed back to Eskom (a separate EA is being applied for in this regard).
- Extension of the 132kV Busbar at the MTS.
- 132kV Feeder Bay at the MTS.
- Extension of the 400kV Busbar at the MTS.
- Installation of a new 400/132kV Transformer and bay at the MTS.

A development footprint of approximately 737ha has been identified within the broader project site (approximately 8 200ha in extent), by the developer for the development of the Carolus Solar PV1 Facility, which is proposed in response to the identified objectives of the national and provincial government and local and district municipalities to develop renewable energy facilities for power generation purposes. It is the developer's intention to bid the proposed project under the Department of Mineral Resources and Energy's (DMRE's) Renewable Energy Independent Power Producer Procurement (REIPPP) Programme (or similar programme), with the aim of evacuating the generated power into the national grid. This will aid in the diversification and stabilisation of the country's electricity supply, in line with the objectives of the Integrated Resource Plan (IRP), with Fountain Solar PV1 set to inject up to 100MW into the national grid.



**Photograph 1.1: Typical PV SEF facility**



**Photograph 1.2: Example of BESS located in storage containers**

## **1.4 ASSUMPTIONS AND LIMITATIONS**

### **1.4.1 Assumptions**

#### **Technical suitability**

It is assumed that the development site represents a technically suitable site for the establishment of the proposed PV SEF and associated infrastructure.

#### **Strategic importance of the project**

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

#### **Fit with planning and policy requirements**

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

## **1.4.2 Limitations**

### **Demographic data**

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

## **1.5 SPECIALIST DETAILS**

Tony Barbour is an independent specialist with 26 years' experience in the field of environmental management. In terms of SIA experience Tony Barbour has undertaken in the region of 300 SIAs and is the author of the Guidelines for Social Impact Assessments for EIA's adopted by the Department of Environmental Affairs and Development Planning (DEA&DP) in the Western Cape in 2007. Annexure C contains a copy of CV for Tony Barbour.

## **1.6 DECLARATION OF INDEPENDENCE**

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

## **1.7 REPORT 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.
- Section 5: Key Findings and recommendations.

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## **SECTION 2: POLICY AND PLANNING ENVIRONMENT**

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### **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<sup>2</sup>” of the proposed development therefore constitutes a key aspect of the Social Impact Assessment (SIA). In this regard, assessment of “planning fit” conforms to international best practice for conducting SIAs.

Section 2 provides an overview of the policy and planning environment affecting the proposed project. For the purposes of meeting the objectives of the SIA the following policy and planning documents were reviewed:

- The National Energy Act (2008).
- The White Paper on the Energy Policy of the Republic of South Africa (December 1998).
- The White Paper on Renewable Energy (November 2003).
- Integrated Resource Plan (IRP) for South Africa (2010-2030).
- The National Development Plan (2011).
- Northern Cape Provincial Growth and Development Strategy (2004-2014).
- Northern Cape Climate Change Response Strategy.
- Northern Cape Spatial Development Framework (2012).
- Northern Cape Province Green Document (2017/2018).
- Pixley ka Seme District Municipality Integrated Development Plan (2019-2020).
- Pixley ka Seme District Municipality Spatial Development Framework (2017).
- Emathanjeni Local Municipality Integrated Development Plan (2021-2022).

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

### **2.2 NATIONAL POLICY ENVIRONMENT**

#### **2.2.1 National Energy Act (Act No 34 of 2008)**

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

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

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<sup>2</sup> Planning fit” can simply be described as the extent to which any relevant development satisfies the core criteria of appropriateness, need, and desirability, as defined or circumscribed by the relevant applicable legislation and policy documents at a given time.

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

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

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

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

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

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

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

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

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

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

Disadvantages include:

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

### **2.2.3 White Paper on Renewable Energy**

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

The White Paper notes that while South Africa is well endowed with renewable energy resources that have the potential to become sustainable alternatives to fossil fuels, these have thus far remained largely untapped. As signatory to the Kyoto Protocol<sup>3</sup>, Government is determined to make good the country's commitment to reducing greenhouse gas emissions. To this purpose, Government has committed itself to the development of a framework in which a national renewable energy framework can be established and operate.

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

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

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

#### **2.2.4 Integrated Energy Plan (2016)**

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

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

- Objective 1: Ensure security of supply.
- Objective 2: Minimise the cost of energy.
- Objective 3: Promote the creation of jobs and localisation.
- Objective 4: Minimise negative environmental impacts from the energy sector.
- Objective 5: Promote the conservation of water.

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<sup>3</sup> The Kyoto Protocol is a protocol to the United Nations Framework Convention on Climate Change (UNFCCC), aimed at fighting global warming. The UNFCCC is an international environmental treaty with the goal of achieving "stabilization of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system". The Protocol was initially adopted on 11 December 1997 in Kyoto, Japan and entered into force on 16 February 2005. As of November 2009, 187 states have signed and ratified the protocol (Wikipedia).

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

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

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

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

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

The IEP notes that South Africa should continue to pursue a diversified energy mix which reduces reliance on a single or a few primary energy sources. In terms of renewable energy, the document refers to wind and solar energy. The document does however appear to support solar over wind noting that solar PV and CSP with storage present excellent opportunities to diversify the electricity mix, to produce distributed generation and to provide off-grid electricity. Solar technologies also present the greatest potential for job creation and localisation. Incentive programmes and special focused programmes to promote further development in the technology, as well as solar roll-out programmes, should be pursued.

In terms of existing electricity generation capacity, the IEP indicates that existing capacity starts to decline notably from 2025, with significant plant retirement occurring in 2031, 2041 and 2048. By 2050 only 20% of the current electricity generation capacity remains. As a result, large investments are required in the electricity sector in order to maintain an adequate supply in support of economic growth.

By 2020, various import options become available, and some new coal capacity is added along with new wind, solar and gas capacity. The mix of generation capacity technologies by 2050 is considerably more diverse than the current energy mix, across all scenarios. The



main differentiating factors between the scenarios are the level of demand, constraints on emission limits and the carbon dioxide externality costs.

In all scenarios the energy mix for electricity generation becomes more diverse over the period to 2050, with coal reducing its share from about 85% in 2015 to 15–20% in 2050 (depending on the scenario). Solar, wind, nuclear, gas and electricity imports increase their share. The Environmental Awareness and Green Shoots scenarios take on higher levels of renewable energy.

An assessment of each scenario against the eight objectives with reference to renewable energy notes while all scenarios seek to ensure that costs are minimised within the constraints and parameters of each scenario, the Base Case Scenario presents the least cost followed by the Environmental Awareness, Resource Constrained and Green Shoots scenarios respectively when total energy system costs are considered.

In terms of promoting job creation and localisation potential, the Base Case Scenario presents the greatest job creation potential, followed by the Resource Constrained, Environmental Awareness and Green Shoots scenarios respectively. In all scenarios, approximately 85% of total jobs are localisable. For electricity generation, most jobs result from solar technologies followed by nuclear and wind, with natural gas and coal making a smaller contribution.

The Environmental Awareness Scenario, due to its stringent emission constraints, shows the lowest level of total emissions over the planning horizon. This is followed by the Green Shoots, Resource Constrained and Base Case scenarios. These trends are similar when emissions are considered cumulatively and individually by type.

The IEP notes that a diversified energy mix with a reduced reliance on a single or a few primary energy sources should be pursued. In terms of renewable energy, wind and solar are identified as the key options.

### **Wind**

Wind energy should continue to play a role in the generation of electricity. Allocations to ensure the development of wind energy projects aligned with the IRP2010 should continue to be pursued.

### **Solar**

- Solar should play a much more significant role in the electricity generation mix than it has done historically and constitutes the greatest share of primary energy (in terms of total installed capacity) by 2050. The contribution of solar in the energy mix comprises both CSP and solar PV.
- Investments should be made to upgrade the grid in order to accommodate increasing solar and other renewable energy contributions.

With reference to the Renewable Energy Independent Power Producer (REIPP) Procurement Programme, the IEP notes:

- The REIPP Procurement Programme should be extended, and new capacity should be allocated through additional bidding windows in order ensure the ongoing deployment of renewable energy technologies;
- Experience and insights gained from the current procurement process should be used to streamline and simplify the process.



- The implementation of REIPP projects in subsequent cycles of the programme should be aligned with the spatial priorities of provincial and local government structures in the regions that are selected for implementation, in line with the Spatial Development Frameworks. This will ensure that there is long-term, sustainable infrastructure investment in the areas where REIPP projects are located. Such infrastructure includes bulk infrastructure and associated social infrastructure (e.g., education and health systems). This alignment will further assist in supporting the sustainable development objectives of provincial and local government by benefiting local communities.

The IEP indicates that Renewable Energy Development Zones (REDZs) have been identified and describe geographical areas:

- In which clusters (several projects) of wind and solar PV development will have the lowest negative impact on the environment while yielding the highest possible social and economic benefit to the country.
- That are widely agreed to have strategic importance for wind and solar PV development.
- Where the environmental and other authorisation processes have been aligned and streamlined based on scoping level pre-assessments and clear development requirements.
- Where proactive and socialised investment can be made to provide time-efficient infrastructure access.

### **2.2.5 Integrated Resource Plan**

The integrated resource plan (IRP) is an electricity capacity plan which aims to provide an indication of the country's electricity demand, how this demand will be supplied and what it will cost. On 6 May 2011, the Department of Energy (DoE) released the Integrated Resource Plan 2010-2030 (IRP 2010) in respect of South Africa's forecast energy demand for the 20-year period from 2010 to 2030. The IRP 2010 was intended to be a 'living plan' that would be periodically revised by the DoE. However, this was never done and resulted in an energy mix that failed to adequately meet the constantly changing supply and demand scenarios in South Africa, nor did it reflect global technological advancements in the efficient and responsible generation of energy.

On 27 August 2018, the then Minister of Energy published a draft IRP which was issued for public comment (Draft IRP). Following a lengthy public participation and consultation process the Integrated Resource Plan 2019 (IRP 2019) was gazetted by the Minister of Mineral Resources and Energy, Gwede Mantashe, on 18 October 2019, updating the energy forecast for South Africa from the current period to the year 2030. The IRP is an electricity capacity plan which aims to provide an indication of the country's electricity demand, how this demand will be supplied and what it will cost.

Since the promulgated IRP 2010, the following capacity developments have taken place. A total 6 422MW under the government led Renewable Energy Independent Power Producers Programme (RE IPP Procurement Programme) has been procured, with 3 876MW currently operational and made available to the grid. In addition, IPPs have commissioned 1 005MW from two Open Cycle Gas Turbine (OCGT) peaking plants. Under the Eskom build programme, the following capacity has been commissioned: 1 332MW of Ingula pumped storage, 1 588MW of Medupi, 800MW of Kusile and 100MW of Sere Wind Farm. In total, 18 000MW of new generation capacity has been committed to.

Provision has been made for the following new additional capacity by 2030:

- 1 500MW of coal.
- 2 500MW of hydro.
- 6 000MW of solar PV.
- 14 400MW of wind.
- 1 860MW of nuclear.
- 2 088MW for storage.
- 3 000MW of gas/diesel.
- 4 000MW from other distributed generation, co-generation, biomass and landfill technologies.

Figure 2.1 provides a summary of the allocations and commitments between the various energy sectors.

	Coal	Coal (Decommissioning)	Nuclear	Hydro	Storage	PV	Wind	CSP	Gas & Diesel	Other (Distributed Generation, CoGen, Biomass, Landfill)
Current Base	37,149		1 860	2,100	2 912	1 474	1 980	300	3 830	499
2019	2,155	-2,373					244	300		Allocation to the extent of the short term capacity and energy gap.
2020	1,433	-557				114	300			
2021	1,433	-1403				300	818			
2022	711	-844			513	400	1,000	1,600		
2023	750	-555				1000	1,600		500	
2024			1,860				1,600	1000	500	
2025						1000	1,600		500	
2026		-1,219					1,600		500	
2027	750	-847					1,600	2000	500	
2028		-475				1000	1,600		500	
2029		-1,694			1575	1000	1,600		500	
2030		-1,050		2,500		1000	1,600		500	
TOTAL INSTALLED CAPACITY by 2030 (MW)	33,364		1,860	4,600	5,000	8,288	17,742	600	6,380	
% Total Installed Capacity (% of MW)	43		2.36	5.84	6.35	10.52	22.53	0.76	8.1	
% Annual Energy Contribution (% of MWh)	58.8		4.5	8.4	1.2*	6.3	17.8	0.6	1.3	

- Installed Capacity
- Committed/Already Contracted Capacity
- Capacity Decommissioned
- New Additional Capacity
- Extension of Koeberg Plant Design Life
- Includes Distributed Generation Capacity for own use

- 2030 Coal Installed Capacity is less capacity decommissioned between years 2020 and 2030.
- Koeberg power station rated/installed capacity will revert to 1,926MW (original design capacity) following design life extension work.
- Other/ Distributed generation includes all generation facilities in circumstances in which the facility is operated solely to supply electricity to an end-use customer within the same property with the facility.
- Short term capacity gap is estimated at 2,000MW.

**Figure 2.1: Summary of energy allocations and commitments**

As indicated above, the changes from the Draft IRP capacity allocations see an increase in solar PV and wind, and a significant decrease in gas and diesel; and new inclusions include nuclear and storage.

In terms of renewable energy four bidding rounds have been completed for renewable energy projects under the RE IPP Procurement Programme. The most dominant technology in the IRP2019 is renewable energy from wind and solar PV technologies, with wind being identified as the stronger of the two technologies. There is a consistent annual allocation of 1 600MW for wind technology commencing in the year 2022 up to 2030. The solar PV allocation of 1 000MWs per year is incremental over the period up to 2030, with no allocation in the years 2024 (being the year the Koeberg nuclear extension is expected to be

commissioned) and the years 2026 and 2027 (presumably since 2 000MW of gas is expected in the year 2027). The IRP 2019 states that although there are annual build limits, in the long run such limits will be reviewed to take into account demand and supply requirements.

### **2.2.6 National Development Plan**

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

### **2.2.7 The New Growth Path Framework**

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

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

### **2.2.8 National Infrastructure Plan**

The South African Government adopted a National Infrastructure Plan in 2012. The aim of the plan is to transform the economic landscape while simultaneously creating significant numbers of new jobs and strengthening the delivery of basic services. The plan also supports the integration of African economies. In terms of the plan, Government will invest R827 billion over the next three years to build new and upgrade existing infrastructure. The aim of the investments is to improve access by South Africans to healthcare facilities, schools, water, sanitation, housing and electrification. The plan also notes that investment in the construction of ports, roads, railway systems, **electricity plants**, hospitals, schools and dams will contribute to improved economic growth.

As part of the National Infrastructure Plan, Cabinet established the Presidential Infrastructure Coordinating Committee (PICC). The Committee identified and developed 18 strategic integrated projects (SIPs). The SIPs cover social and economic infrastructure across all nine provinces (with an emphasis on lagging regions) and consist of:

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

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

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

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

***SIP 9: Electricity generation to support socio-economic development***

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

***SIP 10: Electricity transmission and distribution for all***

- Expand the transmission and distribution network to address historical imbalances, provide access to electricity for all and support economic development.
- Align the 10-year transmission plan, the services backlog, the national broadband roll-out and the freight rail line development to leverage off regulatory approvals, supply chain and project development capacity.

### **2.2.9 Astronomy Geographic Advantage Act**

The purpose of the Act (Act No 21 of 2007) is to preserve the geographic advantage areas that attract investment in astronomy. The entire Northern Cape Province, excluding the Tsantsabane Municipality, has been declared an astronomy advantage area. The Northern Cape optical and radio telescope sites were declared core astronomy advantage areas. The Act allowed for the declaration of the Southern Africa Large Telescope (SALT), Meerkat and Square Kilometre Array (SKA) as astronomy and related scientific endeavours that has to be protected.

## **2.3 PROVINCIAL AND LOCAL LEVEL POLICY AND PLANNING**

### **2.3.1 Northern Cape Province Provincial Growth and Development Strategy**

The Northern Cape Provincial Growth and Development Strategy (NCPGDS) identifies poverty reduction as the most significant challenge facing the government and its partners. All other societal challenges that the province faces emanate predominantly from the effects of poverty. The NCPGDS notes that the only effective way to reduce poverty is through long-term sustainable economic growth and development. The sectors where economic growth and development can be promoted include:

- Agriculture and Agro-processing.
- Fishing and Mariculture.
- Mining and mineral processing.
- Transport.
- Manufacturing.
- Tourism.

However, the NCPGDS also notes that economic development in these sectors also requires:

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

The achievement of these primary development objectives depends on the achievement of a number of related objectives that, at a macro-level, describe necessary conditions for growth and development. These are:

- Developing requisite levels of human and social capital.
- Improving the efficiency and effectiveness of governance and other development institutions.
- Enhancing infrastructure for economic growth and social development.

Of specific relevance to the SIA the NCPGDS makes reference to the need to ensure the availability of inexpensive energy. The section notes that in order to promote economic growth in the Northern Cape the availability of electricity to key industrial users at critical localities at rates that enhance the competitiveness of their industries must be ensured. At the same time, the development of new sources of energy through the promotion of the adoption of energy applications that display a synergy with the province's natural resource endowments must be encouraged. In this regard the NCPGDS notes "the development of energy sources such as solar energy, the natural gas fields, bio-fuels, etc., could be some of the means by which new economic opportunity and activity is generated in the Northern Cape". The NCPGDS also highlights the importance of close co-operation between the public and private sectors in order for the economic development potential of the Northern Cape to be realised.

The NCPGDS also highlights the importance of enterprise development and notes that the current level of private sector development and investment in the Northern Cape are low. In addition, the province also lags in the key policy priority areas of SMME Development and Black Economic Empowerment. The proposed solar energy facility therefore has the potential to create opportunities to promote private sector investment and the development of SMMEs in the Northern Cape Province.

In this regard, care will need to be taken to ensure that the proposed development and associated renewable energy facilities do not negatively impact on the regions natural environment. In this regard, the NCPGDS notes that the sustainable utilisation of the natural resource base on which agriculture depends is critical in the Northern Cape with its fragile eco-systems and vulnerability to climatic variation. The document also indicates that due to the provinces exceptional natural and cultural attributes, it has the potential to become the preferred adventure and ecotourism destination in South Africa.

### **2.3.2 Northern Cape Provincial Spatial Development Framework**

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

- Sectoral Strategy 1: Provincial Growth and Development Strategy of the Provincial Government.
- Sectoral Strategy 2: Comprehensive Growth and Development Programme of the Department of Agriculture, Land Reform and Rural Development.
- Sectoral Strategy 5: Local Economic Development (LED) Strategy of the Department of Economic Development and Tourism.
- Sectoral Strategy 11: Small Micro Medium Enterprises (SMME) Development Strategy of the Department of Economic Development and Tourism.

- Sectoral Strategy 12: Tourism Strategy of the Department of Economic Development and Tourism.
- Sectoral Strategy 19: Provincial renewable energy strategy (to be facilitated by the Department of Economic Development and Tourism).

Section C8.2.3, Energy Objectives, sets out the energy objectives for the Northern Cape Province. The section makes specific reference to renewable energy. Of relevance the objectives include:

- Promote the development of renewable energy supply schemes. Large-scale renewable energy supply schemes are strategically important for increasing the diversity of domestic energy supplies and avoiding energy imports while minimizing detrimental environmental impacts.
- In order to reinforce the existing transmission network and to ensure a reliable electricity supply in the Northern Cape, construct a 400 kV transmission power line from Ferrum Substation (near Kathu/Sishen) to Garona Substation (near Groblershoop). There is a national electricity supply shortage, and the country is now in a position where it needs to commission additional plants urgently. Consequently, renewable energy projects are a high priority.
- Develop and institute innovative new energy technologies to improve access to reliable, sustainable, and affordable energy services with the objective to realize sustainable economic growth and development. The goals of securing supply, providing energy services, tackling climate change, avoiding air pollution, and reaching sustainable development in the province offer both opportunities and synergies which require joint planning between local and provincial government as well as the private sector.
- Develop and institute energy supply schemes with the aim to contribute to the achievement of the targets set by the White Paper on Renewable Energy (2003). This target relates to the delivery of 10 000 GWh of energy from renewable energy sources (mainly biomass, wind, solar, and small-scale hydro) by 2013.

Section C8.3.3, Energy Policy, sets out the policy guidelines for the development of the energy sector, with specific reference to the renewable energy sector.

- The construction of telecommunication infrastructure must be strictly regulated in terms of the spatial plans and guidelines put forward in the PSDF. They must be carefully placed to avoid visual impacts on landscapes of significant symbolic, aesthetic, cultural or historic value and should blend in with the surrounding environment to the extent possible.
- EIAs undertaken for such construction must assess the impacts of such activities against the directives listed in (a) above.
- Renewable energy sources such as wind, solar, thermal, biomass and domestic hydroelectricity are to constitute 25% of the province's energy generation capacity by 2020.
  - The following key policy principles for renewable energy apply.
  - Full cost accounting: Pricing policies will be based on an assessment of the full economic, social and environmental costs and benefits of energy production and utilisation.
  - Equity: There should be equitable access to basic services to meet human needs and ensure human well-being. Each generation has a duty to avoid impairing the ability of future generations to ensure their own well-being.
  - Global and international cooperation and responsibilities: Government recognises its shared responsibility for global and regional issues and act with due regard to the

principles contained in relevant policies and applicable regional and international agreements.

- Allocation of functions: Government will allocate functions within the framework of the Constitution to competent institutions and spheres of government that can most effectively achieve the objectives of the energy policy.
- The implementation of sustainable renewable energy is to be promoted through appropriate financial and fiscal instruments.
- An effective legislative system to promote the implementation of renewable energy is to be developed, implemented, and continuously improved.
- Public awareness of the benefits and opportunities of renewable energy must be promoted.
- The development of renewable energy systems is to be harnessed as a mechanism for economic development throughout the province in accordance with the Sustainable Development Initiative (SDI) approach (refer to Toolkit D10) or any comparable approach.
- Renewable energy must, first, and foremost, be used to address the needs of the province before being exported.

### **2.2.3 Northern Cape Climate Change Response Strategy**

The key aspects of the PCCRS Report are summarised in the MEC's (NCPG: Environment and Nature Conservation) 2011 budget speech: "The Provincial Climate Change Response Strategy will be underpinned by specific critical sector climate change adaptation and mitigation strategies that include the Water, Agriculture and Human Health sectors as the 3 key Adaptation Sectors, the Industry and Transport alongside the Energy sector as the 3 key Mitigation Sectors with the Disaster Management, Natural Resources and Human Society, livelihoods and Services sectors as 3 remaining key Sectors to ensure proactive long term responses to the frequency and intensity of extreme weather events such as flooding and wild fire, with heightened requirements for effective disaster management".

Key points from MEC's address include the NCPG's commitment to develop and implement policy in accord with the National Green Paper for the National Climate Change Response Strategy (2010), and an acknowledgement of the NCP's extreme vulnerability to climate-change driven desertification. The development and promotion of a provincial green economy, including green jobs, is identified as an important provincial intervention in addressing climate change. The renewable energy sector, including solar and wind energy (but also biofuels and energy from waste), is explicitly indicated as an important element of the Provincial Climate Change Response Strategy. The MEC also indicated that the NCP was involved in the processing a number of WEF and Solar Energy Facility EIA applications.

### **2.2.4 Northern Cape Province Green Document**

The NCP Green Document (2017-2018) was prepared by the Northern Cape Department of Economic Development and Tourism and provides an impact assessment of IPPs on the communities in the province located within a 50 km radius from existing facilities. The document notes that the NCP is nationally a leader in commercial-scale renewable energy projects. By 2018 a total of 23 IPP projects in the province had been integrated into the national grid. These projects include Solar PV, Concentrated Solar and WEFs. The document notes that through their economic development obligations these projects have already made a significant positive contribution to affected communities. Much of the effort has been directed at supporting local education. The document also notes that, as these projects are committed to 20-year minimum lifespans, the collectively hold a tremendous potential for socio-economic upliftment.

Key issues identified with regard to improving the potential beneficial impact of IPPs in the NCP include:

- Local community members abusing project benefits for personal gain.
- Difficulty in outreach to local community beneficiaries due to high local illiteracy levels.
- A lack of business skills generally hampers the successful establishment of local small enterprises which could benefit from projects.
- Community benefit obligations are currently met in a piecemeal and uncoordinated fashion.
- Anticipated community benefits are often frustrated by inadequate engagement and insufficient ongoing consultation.
- The scarcity of people skilled in maths and sciences in local communities hampers meaningful higher-level local skills development and employment.
- Insufficient support from local municipalities for IPP development.

#### **2.3.4 Pixley ka Seme District Municipality Integrated Development Plan**

The vision for the PKSDM is “Developed and Sustainable District for Future Generations”

To mission statement that underpins the vision is:

- Supporting our local municipalities to create a home for all in our towns, settlements and rural areas to render dedicated services.
- Providing political and administrative leadership and direction in the development planning process.
- Promoting economic growth that is shared across and within communities.
- Promoting and enhancing integrated development planning in the operations of our municipalities.
- Aligning development initiatives in the district to the National Development Plan.

The Strategic Objectives to address the vision that are relevant to the project includes the promotion of economic growth in the district and enhance service delivery. Chapter 4, Development of Strategies, highlights the key strategies of the PKSDM. The promotion of economic development is the most relevant strategy for the project. The IDP also notes that the growth and development context in the district has also changed radically since 2013 (after it had been stagnant for decades) owing mainly to private and public investments in the area as a hub for renewable energy generation and astronomy.

The IDP notes that the economy in the Pixley ka Seme municipal area is characterized by:

- High levels of poverty and low levels of education.
- Low levels of development despite the strategic location in terms of the national transport corridors.
- High rate of unemployment, poverty and social grant dependence.
- Prone to significant environmental changes owing to long-term structural changes (such as climate change, energy crises and other shifts).

Of specific relevance the IDP highlights the potential for renewable energy to help address some of these challenges.



### **2.3.5 Pixley ka Seme District Municipality Spatial Development Framework**

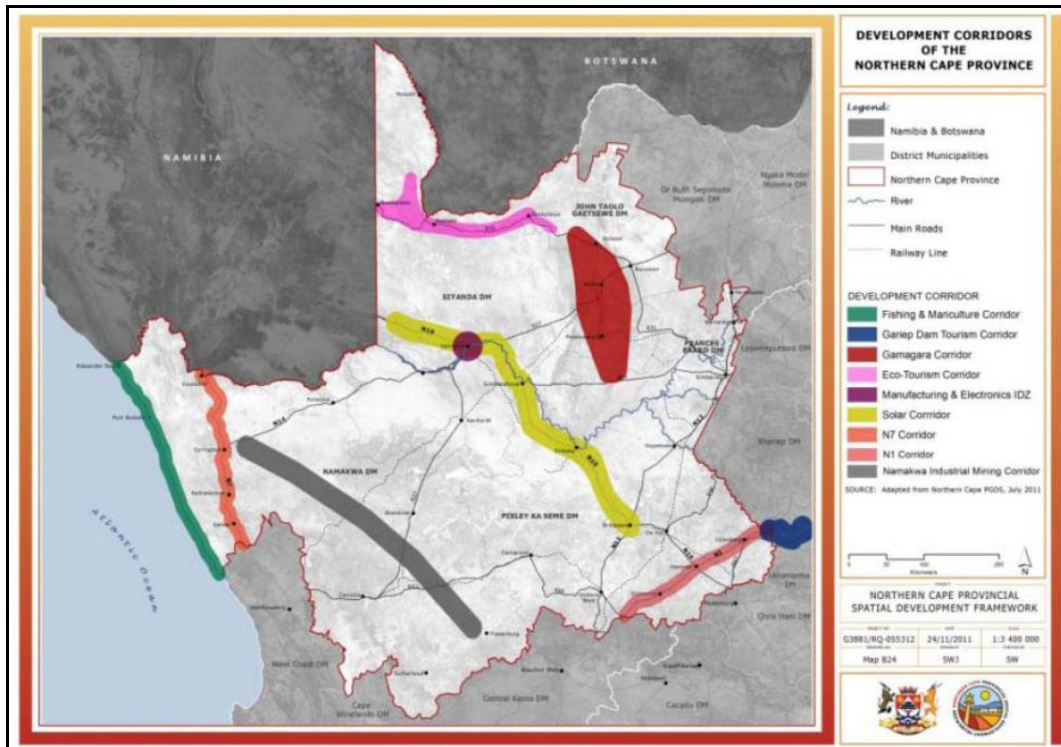
The SDF notes that the vision for the PKSDM is “Pixley Ka Seme DM, pioneers of development, a home and future for all”. The Mission Statement that underpins the vision refers to:

- Effective and efficient service delivery.
- Optimal human and natural resource development.
- Local economic growth and development, job creation and poverty alleviation.
- A vibrant tourism industry.
- To participate in the fight to reduce the infection rate and lessen the impact of HIV/ Aids and other communicable diseases.
- A safe, secure and community friendly environment.

The SDF identifies the opportunities and constraints associated with the district. Of relevance to the project the opportunities include:

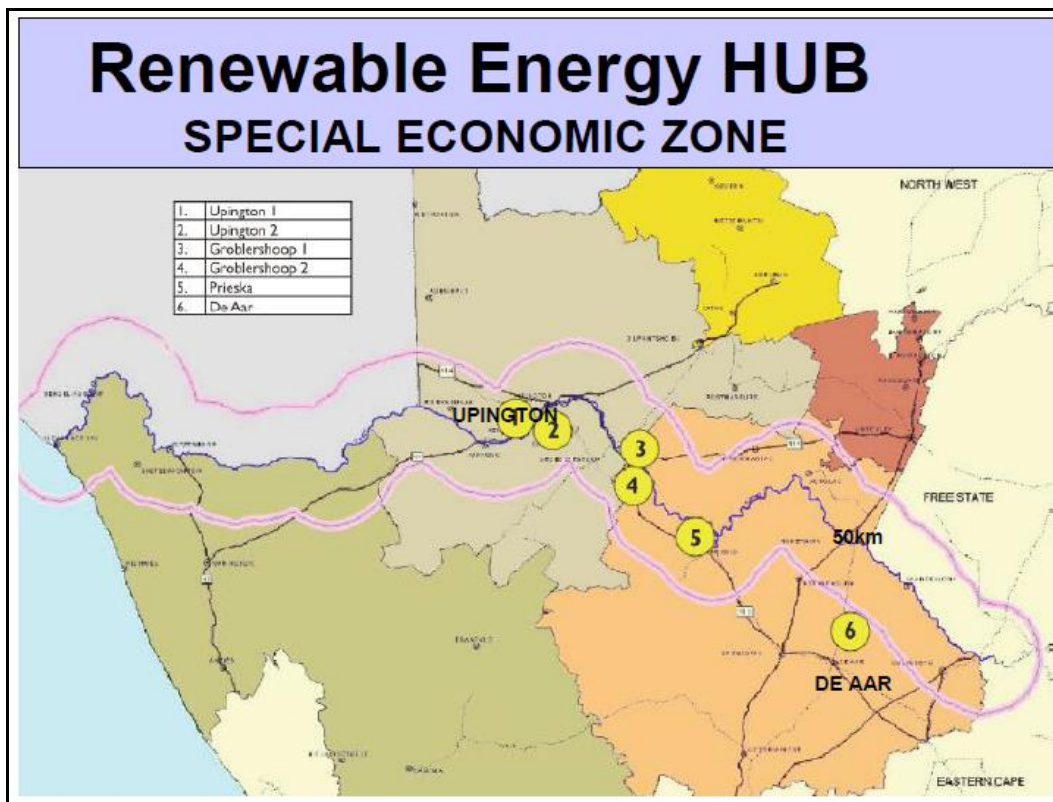
Renewable Energy and the identification of a renewable energy hub in the region. The natural environment and maintenance and conservation of the pristine natural environment to support sustainable farming into the future is also identified as an opportunity. The SDF notes that Pixley Ka Seme District area with its abundance of sunshine and vast tracts of available land has attracted considerable interest from solar energy investors. The high solar index of the area provides many opportunities in terms of the development of renewable energy. This has been acknowledged by the Northern Cape Government with the identification of the Renewable Energy Hub. The areas around the northern and eastern borders of the Pixley Ka Seme District Municipality form part of this hub with the potential to stimulate special economic development zoned within the area that have the potential to stimulate industrial development.

The PKSDM also falls within the Solar Development Corridor as identified in the Northern Cape Provincial Spatial Development Framework. The corridor extends from Kakamas to Upington and down to De Aar in the south-east (Figure 2.2). Section 5.6.1 of the SDF also refers to the establishment of a Renewable Energy Hub proposed for the Northern Cape stretching from the west coast right up to the De Aar region (Figure 2.3). The Hub can accommodate special economic development within the zone as earmarked and entails a 100km wide zone. The proposed project is located within the corridor and proposed hub.



Source: Northern Cape SDF

**Figure 2.2: Northern Cape Development Corridors-Solar Corridor (yellow)**



Source: Northern PKSDM SDF

**Figure 2.3: Northern Cape Renewable Energy Hub**

The SDF does however also note that the area is known for its clean air and open skies with limited light pollution. Potential visual impacts are therefore an issue that needs to be considered.

In this regard the SDF notes that the topography of Pixley Ka Seme region is one of its main assets with vast open spaces and unspoilt panoramic visual vistas stretching over great distances. This asset makes for excellent scenic drives throughout the whole of the region from the flat plains to crossing the main rivers of South Africa. Visual vistas, ridges and “koppies” are assets within the region and they must be handled with sensitivity.

The relevant constraints include high levels of poverty and unemployment, backlog in basic services, including electricity and housing in rural areas, the limited supply of water and overall scarcity of water in the region to support economic development.

The development challenges that face the Pixley Ka Seme District Municipality include high unemployment and poverty rates and low income which are placing increasing demand on service delivery because very few people are able to pay for services. Declining population numbers, and alcohol and substance abuse are also key challenges.

In terms of services, inadequate schools in farming areas results in children having to travel long distances to areas where they go to school. There are also insufficient health centres and lack of amenities and recreational services. Where these services do exist, they are often poorly managed and maintained. The level of key services, such as refuse removal, are also low, while many rural and a number of urban households rely on boreholes for their water supply.

Climate change is also identified as a key risk. The SDF notes that the Karoo is predicted to experience more drought periods, coupled with increased evaporation and temperatures and this will negatively impact already restricted water supply. It is likely that the greatest impacts will be on water supply.

### **2.3.6 Emthanjeni Local Municipality Integrated Development Plan**

The Emthanjeni Local Municipality (ELM) is a category B municipality consisting of three towns, namely, De Aar, Britstown and Hanover. The vision of the ELM is “Leading sustainable development for inclusive economic growth”. The mission statement linked to the vision is “To create a viable economic development plan that is relevant to the characteristics of the Emthanjeni Municipal area, designed to create and maintain a sound and healthy local economy, drawing upon local strengths and resources. This will be achieved through:

- Strategic partnerships and collaboration.
- Effective stakeholder communications.
- Supporting existing businesses and encourage the expansion and repositioning of desirable commercial and industrial uses.
- To increase the number of farms or agricultural land in the community.

The IDP refers to the national economic pillars adopted on the National Framework for Local Economic Development in South Africa which launched in 2014. The pillars are aligned to the main thrusts and opportunities within ELM to ensure an integrated approach for optimal rate of implementation and economic development in the municipality. The five pillars are:

- Pillar 1: Building a Diverse Economic Base.
- Pillar 2: Developing learning and skilful economies.
- Pillar 3: Developing Inclusive Economies.
- Pillar 4: Enterprise Development and Support.
- Pillar 5: Economic Governance and Infrastructure.

Pillars 1, 2, 3 and 4 are relevant to the proposed development.

***Pillar 1: Building a Diverse Economic Base***

The first pillar focuses on building a diverse economic base and growing the local economy through industrial and sector-specific (e.g., Tourism, Mining, Agriculture, Manufacturing, etc.).

***Pillar 2: Developing learning and skilful economies***

The IDP notes that addressing the skills gap and improving skills levels is critical to the successful implementation of all the other pillars, as increased skills lead to increased opportunities for stimulating local economies.

***Pillar 3: Developing Inclusive Economies***

Creating decent work and sustainable livelihoods improves the living standards and ensures a dignified existence for individuals.

***Pillar 4: Enterprise Development and Support***

The IDP highlights the importance of supporting economic development and creating a diverse economic sector. The need to support SMMEs is also noted.

The development of the project will support these pillars, specifically the SED and ED spend linked to the project. The IDP also lists 7 Key Performance Areas (KPAs) of which KPA 1: Basic Services and Infrastructure Development, KPA 5: Local Economic Development and KPA 7: Social Development, are relevant to the project.

The IDP highlights the importance to the renewable energy sector and refers to a number of IPP projects located in the ELM and PKSDM.

**2.4 OVERVIEW RENEWABLE ENERGY SECTOR IN SOUTH AFRICA**

The section below provides an overview of the potential benefits associated with the renewable energy sector in South Africa. Given that South Africa supports the development of renewable energy at national level, the intention is not to provide a critical review of renewable energy. The focus is therefore on the contribution of renewable energy, specifically in terms of supporting economic development.

The following documents were reviewed:

- Independent Power Producers Procurement Programme (IPPPP): An Overview (June 2020), Department of Energy, National Treasury and DBSA.
- Green Jobs Study (2011), IDC, DBSA Ltd and TIPS.
- Powering the Future: Renewable Energy Roll-out in South Africa (2013), Greenpeace South Africa.
- WWF SA, Renewable Energy Vision 2030, South Africa, 2014.
- Jacqueline M. Borel-Saladin, Ivan N. Turok, (2013). The impact of the green economy on jobs in South Africa), South African Journal of Science, *Volume 109 /Number 9/10, September/October 2013.*
- The potential for local community benefits from wind farms in South Africa, Louise Tait (2012), Master’s Thesis, Energy Research Centre University of Cape Town.

### **2.4.1 Independent Power Producers Procurement Programme (IPPPP): An Overview**

The document presents an overview of the Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) undertaken by the Department of Energy, National Treasury and the Development Bank of South Africa in June 2020. The programme's primary mandate is to secure electrical energy from the private sector for renewable and non-renewable energy sources. With regard to renewables, the programme is designed to reduce the country's reliance on fossil fuels, stimulate an indigenous renewable energy industry and contribute to socio-economic development and environmentally sustainable growth. The IPPPP has been designed not only to procure energy but has also been structured to contribute to the broader national development objectives of job creation, social upliftment and broadening of economic ownership.

#### ***Energy supply***

By the end of June 2020, the REIPPPP had made the following significant impacts.

- 6 422MW of electricity had been procured from 112 RE Independent Power Producers (IPPs) in seven bid rounds.
- 4 276 MW of electricity generation capacity from 68 IPP projects has been connected to the national grid.
- 49 461GWh of energy has been generated by renewable energy sources procured under the REIPPPP since the first project became operational in November 2013.

Renewable energy IPPs have proved to be very reliable. Of the 68 projects that have reached COD, 64 projects have been operational for longer than a year. The energy generated over the past 12-month period for these 64 projects is 11 079GWh, which is 93% of their annual energy contribution projections (P50) of 11 882GWh over a 12-month delivery period. Twenty-eight (24) of the 64 projects (38%) have individually exceeded their P50 projections.

#### ***Energy costs***

In line with international experience, the price of renewable energy is increasingly cost competitive when compared with conventional power sources. The REIPPPP has effectively captured this global downward trend with prices decreasing in every bid window. Energy procured by the REIPPPP is progressively more cost effective and has approached a point where the wholesale pricing for new coal-and renewable-generated energy intersect.

Through the competitive bidding process, the IPPPP effectively leveraged rapid, global technology developments and price trends, buying clean energy at lower and lower rates with every bid cycle, resulting in SA getting the benefit of renewable energy at some of the lowest tariffs in the world. The price for wind power has dropped by 50% to R0.91/kWh, with the BW4 price directly comparable with the per kWh price of new coal generation. Solar PV has dropped most significantly with a price decrease of 75% to R1.10/kWh between BW1 and BW4. This compares with the industry estimates in April 2020 of R1.45/kWh for Medupi. Considering the on-going delays incompletion, indications are that these costs may even be significantly higher.

## **Investment**

The document notes that the REIPPPP has attracted significant investment in the development of the REIPPs into the country. The total investment (total project costs<sup>4</sup>), including interest during construction, of projects under construction and projects in the process of closure is R209.7 billion (this includes total debt and equity of R209.2 billion, as well as early revenue and VAT facility of R0.5 billion).

The REIPPPP has attracted R41.8 billion in foreign investment and financing in the seven bid windows (BW1 – BW4, 1S2 and 2S2). This is almost double the inward FDI attracted into South Africa during 2015 (R22.6 billion). The document notes that the share of foreign investment and equity showed an increase in the most recent bid window (2S2), suggesting that the REIPPPP continued to generate investor confidence despite the poor economic conditions in South Africa in recent years.

## **South African citizen shareholding**

The importance of retaining local shareholding in IPPs is key condition of the procurement requirements. The RFP notes that bidders are required to have South African Equity Participation of 40% in order to be evaluated. In terms of local equity shareholding, 52% (R31.5 billion) of the total equity shareholding (R61.0 billion) was held by South African's across BW1 to BW4, 1S2 and 2S2. This equates to substantially more than the 40% requirement. Foreign equity amounts to R29.5 billion and contributes 48% of total equity.

The REIPPPP also contributes to Broad Based Black Economic Empowerment and the creation of black industrialists. In this regard, Black South Africans own, on average, 33% of projects that have reached financial close (BW1-BW4), which is 3% higher than the 30% target. This includes black people in local communities that have ownership in the IPP projects that operate in or near their communities and represents the majority share of total South African Entity Participation.

On average, black local communities own 9% of projects that have reached financial close. This is well above the 5% target. In addition, an average of 21% shareholding by black people in engineering, procurement, and construction (EPC) contractors has been attained for projects that have reached financial closure. This is higher than 20% target. The shareholding by black people in operating companies of IPPs has averaged 24% (against the targeted 20%) for the 68 projects in operation (i.e. in BW1-4).

The target for shareholding by black people in top management has been set at 40%, with an average 67% achieved to date. The target has therefore been significantly exceeded.

## **Community shareholding and community trusts**

The regulations require a minimum ownership of 2.5% by local communities in IPP projects as a procurement condition. This is to ensure that a substantial portion of the investments has been structured and secured as local community equity. An individual community's dividends earned will depend on the terms of each transaction corresponding with the relevant equity share. To date all shareholding for local communities have been structured through the establishment of community trusts. For projects in BW1 to BW4, 1S2 and 2S2, qualifying communities will receive R26.9 billion net income over the life of the projects (20 years). The report notes that the bulk of the money will however only start flowing into the communities from 2028 due to repayment obligations in the preceding years (repayment

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<sup>4</sup> Total project costs means the total capital expenditure to be incurred up to the commercial operations date in the design, construction, development, installation, and or commissioning of the project)

obligations are mostly to development funding institutions). However, despite the delay this represents a significant injection of capital into mainly rural areas of South Africa. If the net projected income for the first seven bid windows (BW1-BW4, 1S2 and 2S2) was structured as equal payments overtime, it would represent an annual net income of R1.34 billion per year. Income to all shareholders only commences with operation of the facility. Revenue generated to date by the 68 operational IPPs amounts to R105 billion.

### ***Procurement spend***

In addition to the financial investments into the economy and favourable equity structures aimed at supporting BEE, the REIPPPP also targets broader economic and socio-economic investment. This is through procurement spend and local content.

The total projected procurement spend for BW1 to BW4, 1S2 and 2S2 during the construction phase was R73.1 billion, while the projected operations procurement spend over the 20 years operational life is estimated at 76.8 billion. The combined (construction and operations) procurement value is projected as R149.9 billion of which R81 billion has been spent to date. For construction, of the R70.2 billion already spent to date, R57.7 billion is from the 68 projects which have already been completed. These 68 projects had planned to spend R52.9 billion. The actual procurement construction costs have therefore exceeded the planned costs by 9% for completed projects.

### ***Preferential procurement***

The share of procurement that is sourced from Broad Based Black Economic Empowered (BBBEE) suppliers, Qualifying Small Enterprises (QSE), Exempted Micro Enterprises (EME) and women owned vendors are tracked against commitments and targeted percentages. The IA target requirement for BBBEE is 60% of total procurement spend. However, the actual share of procurement spend by IPPs from BBBEE suppliers for construction and operations combined is currently reported as 83%, which is significantly higher than the target of 60%, but also the 71% that had been committed by IPPs. BBBEE, as a share of procurement spend for projects in construction, is also reported as 84% with operations slightly lower at 74%. However, these figures have not been verified and the report notes that they are reported with caution.

The majority of the procurement spend to date has been for construction purposes. Of the R70.2 billion spent on procurement during construction, R59 billion has reportedly been procured from BBBEE suppliers, achieving 87% of total procured. Actual BBBEE spend during construction for BW1 and BW2 alone was R25.5 billion, 81% more than the 14.1 billion planned by the IPPs. The R59 billion spent on BBBEE during construction is 15% more than the R51.1 billion that had originally been anticipated by all IPPs procured.

Total procurement spend by IPPs from QSE and EMES has amounted to R24.7 billion (construction and operations) to date, which exceeds commitments by 96% and is 30% of total procurement spend to date (while the required target is 10%). QSE and EME's procurement spend for construction was R 22 billion, which is 4.4 times the targeted spend for construction of R4.9 billion during this procurement phase.

In terms of procurement from women-owned vendors to date, 5% of total construction procurement spend has been from woman-owned vendors (against a targeted 5%), and 6% of operational procurement spend has been realised from woman-owned vendors to date, thereby exceeding the targeted 5%. In terms of construction spend, R 3.2 billion was undertaken by women-owned vendors, which is almost double the R 1.9 billion estimated for the construction of projects that have reached financial close.

The REIPPPP has therefore created significant employment opportunities for black South African citizens and local communities beyond planned targets. This highlights the importance of the programme in terms of employment equity and the creation of more equal societies.

### ***Local Content***<sup>5</sup>

The report notes that the REIPPPP programme represents the country's most comprehensive strategy to date in achieving the transition to a greener economy. Local content minimum thresholds and targets were set higher for each subsequent bid window. The report notes that for a programme of this magnitude, with construction procurement spend alone estimated at R73.1 billion, the result is a substantial stimulus for establishing local manufacturing capacity. The local content strategy has created the required incentives for a number of international technology and component manufacturers to establish local manufacturing facilities.

The documents notes that for the portfolio as a whole, the expectation would reasonably be for local content spend to fall between 25% and 65% of the total project value (considering the range of targets and minimum requirements). Local content commitments by IPPs amount to R67.6 billion or 45% of total project value (R151.1 billion for all bid windows).

Actual local content spend reported for IPPs that have started construction amounts to R57.6 billion against a corresponding project value (as realised to date) of R114 billion. This means that 50% of the project value has been locally procured, exceeding the 45% commitment from IPPs and the thresholds for BW1 – BW4 (25-45%).

To date, the R57.6 billion local content spend reported by active IPPs is already 87% of the R66 billion local content expected. This is with 23 projects still in construction, and 68 of the 91 active projects having reached COD (i.e. 75% of the active portfolio complete). For the 68 projects that have reached COD, local content spend has been R 46.96 billion of a committed R46.55 billion, which is 0.9 more than the planned local spend.

### ***Leveraging employment opportunities***

To date, a total of 52 603 job years<sup>6</sup> have been created for South African citizens, of which 42 355 job years were in construction and 10 248 in operations. These job years should rise further past the planned target as more projects enter the construction phase. Employment opportunities across all five active bid windows are 126% of the planned number during the construction phase (i.e., 33 707 job years), with 23 projects still in construction and employing people. The number of employment opportunities is therefore likely to continue to grow beyond the original expectations. By the end of June 2020, 68 projects had successfully completed construction and moved into operation. These projects created 33 449 job years of employment, compared to the anticipated 23 619. This was 42% more than planned.

The report notes that employment thresholds and targets were consistently exceeded across the entire portfolio. The average share of South African citizens of total South Africa based employees for BW1 – BW4 was 91% during construction (against a target of 80%), while it was 91% during operations for BW1 – BW4 (against a target of 80%). The report notes that

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<sup>5</sup> Local content is expressed as a % of the total project value and not procurement or total project costs.

<sup>6</sup> The equivalent of a full-time employment opportunity for one person for one year



the construction phase offers a high number of opportunities over shorter durations, while the operations phase requires fewer people, but over an extended operating period.

To date, 42 355 job years for SA citizens were achieved during construction, which is 26% above the planned 33 707 job years for active projects. These job years are expected to rise further since 23BW4 projects are still in or entering, construction.

In terms of benefits for local communities, significantly more people from local communities were employed during construction than was initially planned. For active projects, the expectation for local community participation was 13 284 job years. To date 22 935 job years have been realised (i.e., 73% more than initially planned), with 23 projects still in, or entering, construction. The number of black SA citizens employed during construction also exceeded the planned numbers by 53%.

Black South African citizens, youths and rural or local communities have been the major beneficiaries during the construction phases, as they respectively represent 81%, 43% and 49% of total job opportunities created by IPPs to date. However, woman and disabled people could still be significantly empowered as they represent a mere 10% and 0.4% of total jobs created to date, respectively. Nonetheless, the fact that the REIPPPP has raised employment opportunities for black South African citizens and local communities beyond planned targets, indicates the importance of the programme to employment equity and the drive towards more equal societies.

The share of black citizens employed during construction (81%) and the early stages of operations (84%) has significantly exceeded the 50% target and the 30% minimum threshold. Likewise, the share of skilled black citizens (as a percentage of skilled employees) for both construction (69%) and operations (80%) has also exceeded the 30% target and minimum threshold of 18%. The share of local community members as a share of SA-based employees was 49% and 68% for construction and operations respectively – exceeding the minimum threshold of 12% and the target of 20%.

### ***Socio-economic development (SED) contributions***

An important focus of the REIPPPP is to ensure that the build programme secures sustainable value for the country and enables local communities to benefit directly from the investments attracted into the area. In this regard, IPPs are required to contribute a percentage of projected revenues accrued over the 20-year project operational life toward SED initiatives. These contributions accrue over the 20-year project operation life and are used to invest in housing and infrastructure as well as healthcare, education, and skills development.

The minimum compliance threshold for SED contributions is 1% of the revenue with 1.5% the targeted level over the 20-year project operational life. For the current portfolio of projects, the average commitment level is 2.2%, which is 125% higher than the minimum threshold level. To date (across seven bid windows) a total contribution of R23.1 billion has been committed to SED initiatives. Assuming an even, annual revenue spread, the average contribution per year would be R1.2 billion. Of the total commitment, R18.8 billion is specifically allocated for local communities where the IPPs operate. With every new IPP on the grid, revenues and the respective SED contributions will increase.

As a percentage of revenue, SED obligations become effective only when operations commence, and revenue is generated. Of the 91 IPPs that have reached financial close (BW1–BW41), 68 are operational. The SED contributions associated with these 68 projects has amounted to R 1.2 billion to date.

In terms of ED and SED spend, education, social welfare, and health care initiatives have a SED focus. SED spend on education has been almost double the expenditure on enterprise development. This is despite enterprise development being a stand-alone commitment category in terms of the IA. This is, in part, due to the fact that some early childhood development programmes have also been incorporated in educational programmes. IPPs have supported 1 123 education institutions with a total of R312 million in contributions, from 2015 to the end of June 2020. A total of 1 142 bursaries, amounting to R183.8 million, have been awarded by 55 IPPs from 2015 until the end of June 2020. The largest portion of the bursaries were awarded to African and Coloured students (97%), with women and girls receiving 56% of total bursaries. The Northern Cape province benefitted most from the bursaries awarded, with 61%, followed by the Eastern Cape (18%) and Western Cape (14%). Enterprise development and social welfare are the focus areas that have received the second highest share of the contributions to date.

### ***Enterprise development contributions***

The target for IPPs to spend on enterprise development is 0.6% of revenues over the 20-year project operational life. However, for the current portfolio, IPPs have committed an average of 0.63% or 0.03% more than the target. Enterprise development contributions committed for BW1 to BW4, 1S2 and 2S2 amount to R7.2 billion. Assuming an equal distribution of revenue over the 20-year project operational life, enterprise development contributions would be R360 million per annum. Of the total commitment, R5.6 billion is specifically committed directly within the local communities where the IPPs operate, contributing significantly to local enterprise development. Up until the end of June 2020 a total of R 384.2 million had already been made to the local communities located in the vicinity of the 68 operating IPPs. This represents 93% of the total R384.2 million enterprise development contributions made to date.

### ***Contribution to cleaner energy and water savings***

As part of the global commitment, South Africa is targeting an emissions trajectory that peaks at 34% below a “business as usual” case in 2020, 42% below in 2025 and from 2035 declines in absolute terms. These commitments are incorporated into the National Development Plan in Outcome 10 and sub-outcome 3. The REIPPPP contributes constructively to economic stability, energy security and environmental sustainability.

The emission reductions for the programme during the preceding 12 months (June 2019-June 2020) is calculated as 11.5 million tonnes CO<sub>2</sub> (MtonCO<sub>2</sub>) based on the 1 1313 GWh energy that has been generated and supplied to the grid over this period. This represents 56% of the total projected annual emission reductions (20.5MtonCO<sub>2</sub>) achieved with only partial operations. A total of 50.2 Mton CO<sub>2</sub> equivalent reduction has been realised from programme inception to date.

The March 2019 Report also notes that since operation, the IPPs have saved 42.8 million kilolitres of water related to fossil fuel power generation. This saving will have increased with the increase in energy generated by renewable energy since 2019. The REIPPPP therefore contributes significantly towards meeting South Africa’s GHG emission targets and, at the same time, supporting energy security, economic stability and environmental sustainability.

## **2.4.2 Green Jobs Study**

The study notes that South Africa has one of the most carbon-intensive economies in the world, therefore making the greening of the electricity mix a national imperative. Within

this context the study notes that the green economy could be an extremely important trigger and lever for enhancing a country's growth potential and redirecting its development trajectory in the 21<sup>st</sup> century. The attractiveness of wind and solar technologies is not only supported by local conditions, but also by the relatively mature stage of their technological development.

The aim of the Green Jobs study was to provide information on the net direct job creation anticipated to emerge in the formal economy across a wide range of technologies/activities that may be classified as green or contributing to the greening of the economy. The study looked at the employment potential for a number of green sectors, including power generation, over three consecutive timeframes, namely, the short term (2011 – 12), medium term (2013 – 17) and long term (2018 – 25). The analysis attempts to estimate the employment potential associated with: building, construction and installation activities; operations and maintenance services; as well as the possible localisation spin-offs for the manufacturing sector as the domestic production of equipment, parts and components benefits from preferential local procurement.

It is also worth noting that the study only considered direct jobs in the formal economy. Multiplier effects were not taken into account. As a result, the analysis only captures a portion of the potential employment impact of a greening economy. International studies have indicated that there are considerable backward and forward linkages through various value chains of production, as well as of indirect and induced employment effects. The employment figures can therefore be regarded as conservative.

The analysis reveals the potential of an unfolding green economy to lead to the creation of approximately 98 000 new direct jobs, on average, in the short term, almost 255 000 in the medium term and around 462 000 employment opportunities in the formal economy in the long term. The number of jobs linked to the power generation was estimated to be ~ 12 500 in the short term, 57 500 in the medium term and 130 000 in the long term. Power generation jobs therefore account for 28% of the employment opportunities created in the long term. However, the report notes that the contribution made by a progressively expanding green energy generation segment increases from 14% of the total in the short term, or just over 13 500 jobs, to more than 28% in the long term (166 400) (Table 2.3). The study also found that energy generation is expected to become an increasingly important contributor to green job creation over time, as projects are constructed or commissioned.

**Table 2.3: Net direct employment potential estimated for the four broad types of activity and their respective segments in the long term, and an indication of the roll-out over the three timeframes**

Broad green economy category		Segment	Technology/product	Total net direct employment potential in the long-term	Net direct manufacturing employment potential in the long-term	Total net direct employment potential (ST, MT, LT)	Net direct manufacturing employment potential (ST, MT, LT)
ENERGY GENERATION	Renewable (non-fuel) electricity	Wind power	Onshore wind power	5 156	2 105	VL, L, M	L, M, H
			Offshore wind power				
		Solar power	Concentrated solar power	3 014	608	N, VL, M	N, VL, M
			Photovoltaic power	13 541	8 463	M, H, H	H, VH, VH
		Marine power	Marine power	197	0	N, N, VL	N, N, N
	Hydro power	Large hydro power	272	111	VL, VL, VL	VL, M, VL	
		Micro-/small-hydro power	100	0	VL, VL, VL	N, N, N	
	Fuel-based renewable electricity	Waste-to-energy	Landfills	1 178	180	VL, VL, L	VL, VL, L
			Biomass combustion	37 270	154	VL, H, VH	VL, VL, L
			Anaerobic digestion	1 429	591	VL, VL, L	VL, L, M
			Pyrolysis/Gasification	4 348	2 663	VL, L, M	VL, H, H
	Liquid fuel	Bio-fuels	Co-generation	10 789	1 050	L, M, H	M, H, H
			Bio-ethanol	52 729	6 641	M, H, VH	L, H, VH
	Bio-diesel						
	ENERGY GENERATION SUB-TOTAL				130 023	22 566	
ENERGY & RESOURCE EFFICIENCY	Green buildings	Insulation, lighting, windows	7 340	838	L, M, M	L, M, M	
		Solar water heaters	17 621	1 225	L, H, H	L, M, H	
		Rain water harvesting	1 275	181	VL, VL, L	VL, VL, L	
	Transportation	Bus Rapid Transport	41 641	350	VH, VH, VH	H, M, L	
	Industrial	Energy efficient motors	-566	4	VL, VL, VL	VL, VL, VL	
		Mechanical insulation	666	89	VL, VL, VL	VL, VL, VL	
ENERGY & RESOURCE EFFICIENCY SUB-TOTAL				67 977	2 686		
EMMISSIONS AND POLLUTION MITIGATION	Pollution control	Air pollution control	900	166	N, VL, VL	N, L, L	
		Electrical vehicles	11 428	10 642	VL, L, H	N, H, VH	
		Clean stoves	2 783	973	VL, VL, L	VL, L, M	
		Acid mine water treatment	361	0	VL, VL, VL	N, N, N	
	Carbon Capture and Storage		251	0	N, VL, VL	N, N, N	
Recycling		15 918	9 016	M, H, H	H, VH, VH		
EMMISSIONS AND POLLUTION MITIGATION SUB-TOTAL				31 641	20 797		
NATURAL RESOURCE MANAGEMENT	Biodiversity conservation & eco-system restoration		121 553	0	H, VH, VH	N, N, N	
	Soil & land management		111 373	0	VH, VH, VH	N, N, N	
NATURAL RESOURCE MANAGEMENT SUB-TOTAL				232 926	0		
TOTAL				462 567	46 049		

(Source: Green Jobs Study, 2011)

Notes:

- VH = very high (total employment potential > 20 000 direct jobs; manufacturing employment potential > 3 000 direct jobs);
- H = high (total employment potential > 8 000 but < 20 000; manufacturing employment potential > 1 000 but < 3 000);
- M = medium (total employment potential > 3 000 but < 8 000; manufacturing employment potential > 500 but < 1 000);
- L = low (total employment potential > 1 000 but < 3 000; manufacturing employment potential > 150 but < 500);

- VL = very low (total employment potential > 0 but < 1 000; manufacturing employment potential > 0 but < 150);
- N = negligible/none (total employment potential = 0; manufacturing employment potential = 0).

Of relevance the study also notes that the largest gains are likely to be associated with operations and maintenance (O&M) activities, particularly those involved in the various natural resource management initiatives. In this regard, operations and maintenance employment linked to renewable energy generation plants will also be substantial in the longer term. The employment growth momentum related to building, construction and installation activities peaks in the medium term, largely propelled by mass transportation infrastructure, stabilising thereafter as green building methods become progressively entrenched.

In addition, as projects related to a greening economy are progressively commissioned, the potential for local manufacturing also become increasingly viable. Employment gains in manufacturing are also expected to be relatively more stable than construction activities, since the sector should continue exhibiting growth potential as new and replacement components are produced, as additional markets are penetrated and as new green technologies are introduced. Manufacturing segments with high employment potential in the long term would include suppliers of components for wind and solar farms. The study does note that a shortage of skills in certain professional fields pertinent to renewable energy generation presents a challenge that must be overcome.

The study also identifies a number of advantages associated with renewable energy with a large 'technical' generation potential. In this regard, renewable energy, such as solar and wind, does not emit carbon dioxide (CO<sub>2</sub>) in generating electricity and is associated with exceptionally low lifecycle emissions. The construction period for renewable energy projects are much shorter than those of conventional power stations, while an income stream may, in certain instances, be provided to local communities through employment and land rental. The study also notes that the greenhouse gases (GHG) associated with the construction phase are offset within a short period of time compared with the project's lifespan. Renewable power therefore provides an ideal means for reaching emission reduction targets in a relatively easy manner. In addition, and of specific relevance to South Africa, renewable energy source is not dependent on water (as compared to the massive water requirements of conventional power stations), has a limited footprint and therefore does not impact on large tracts of land, poses limited pollution and health risks, specifically when compared to coal and nuclear energy plants.

Of relevance, the study also notes that renewable energy projects in rural areas create an opportunity to benefit the local and regional economy through the creation of jobs and tax revenues.

### **2.4.3 Powering the Future: Renewable Energy Roll-out in South Africa**

The study notes that South Africa has higher CO<sub>2</sub> emissions per GDPppp (2002 figures) from energy and cement production than China or the USA (Letete, T et al). Energy accounts for 83% of the total GHG emissions (excluding land use, land use change and forestry) with fuel combustion in the energy industry accounting for 65% of the energy emissions of South Africa (DEA, 2011).

Within a broader context of climate change, coal energy does not only have environmental impacts, it also has socio-economic impacts. Acid mine drainage from abandoned mines in

South Africa impacts on water quality and poses the biggest threat to the country's limited water resources. Huge volumes of water are also required to wash coal and cool operating power stations. Eskom uses an estimated 10 000 litres of water per second due to its dependency on coal (Greenpeace, 2012).

The report notes that the concerns relating to whether South Africa can afford renewable energy arise out of the perception that renewable energy (RE) is expensive while fossil and nuclear technologies are cheap. The premise also ignores life cycle costing of the technologies which is favourable to renewable technologies where the sources of fuel are free or cheap.

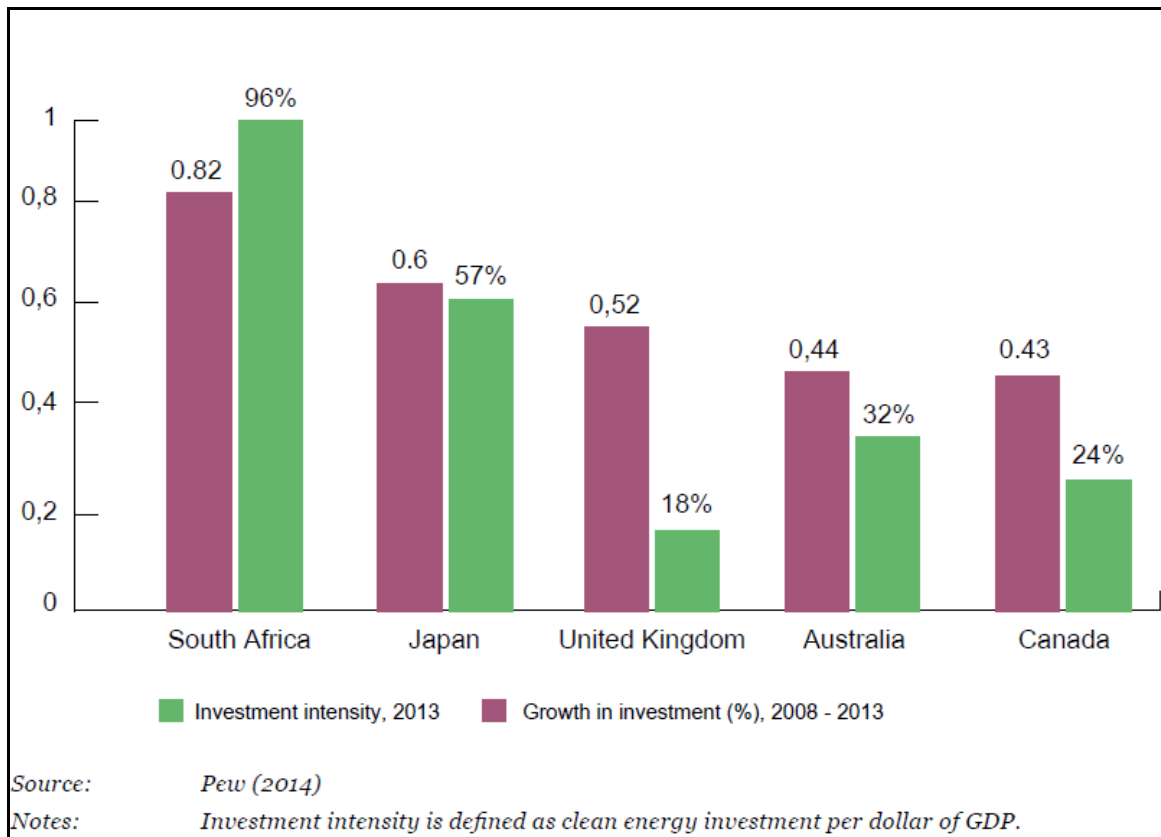
#### **2.4.4 WWF SA Renewable Energy Vision 2030**

In its vision the WWF motivated for a more ambitious plan, suggesting that the IRP should provide for an 11-19% share of electricity capacity by 2030, depending on the country's growth rate over the next fifteen years. The vision is to increase renewable energy at the expense of new coal-fired and nuclear capacity. The report notes that in addition to the obvious environmental benefits of this scenario, it will enable South Africa to add flexibility to energy supply capacity on an on-demand basis.

The report notes that Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) introduced in 2011, has by all accounts been highly successful in quickly and efficiently delivering clean energy to the grid. Increasingly competitive bidding rounds have led to substantial price reductions. In this regard, the study indicates that in three years, wind and solar PV have reached pricing parity with supply from new coal-fired power stations from a levelised cost of electricity (LCOE) perspective.

In bidding window 3 of August 2013, the average tariffs bid for wind and solar PV were R0,66/kWh and R0.88/kWh respectively, well below the recent estimates of R1.05/kWh for supply from the coal-fired Medupi and Kusile power stations (Papapetrou 2014).

The report also notes that the REIPPPP has several contracting rounds for new renewables supply. A robust procurement process, extension of a 20-year sovereign guarantee on the power purchase agreement (PPA) and, especially, ideal solar power conditions, have driven the investment case for RE in South Africa. In this regard, South Africa has been identified as one of the worlds' leading clean energy investment destinations (Figure 2.4).



**Figure 2.4: South Africa leads as a clean energy investment destination**

With regard to local economic development, the REIPPPP sets out various local economic development requirements with stipulated minimum threshold and aspirational targeted levels, which each bidder must comply with. Based on the Broad-Based Black Economic Empowerment Codes, this requirement comprises the following components which make up a scorecard:

- Ownership by black people and local communities.
- Job creation.
- Local content.
- Management control.
- Preferential procurement.
- Enterprise development.
- Socio-economic development.

The final award is based on a combined evaluation in which price determines 70% of the ranking and performance on the local economic development scorecard the remaining 30%. This gives non-price criteria a much heavier weighting than they would normally enjoy under Government's preferential procurement policy.

Job creation, local content and preferential procurement accounted for the bulk of possible points on the scorecard in REIPPPP Round 3. Consequently, a requirement to source goods and services locally is considered to be the central driver of project costs associated with local economic development. In terms of local content, the definition of local content is quite broad, being the value of sales less the costs associated with imports. However,

through successive bidding rounds, the definition has become subject to more detailed definition, with an expanding list of exclusions and increased targeting in terms of key components identified by the Department of Trade and Industry for local manufacturing. This has benefitted local manufacturers and suppliers.

The WWF study considers a low and high growth renewable energy scenario. The capital requirements for the low growth scenario are estimated at R474 billion over the period 2014-2030 (2014 Rand value), rising to R1.084 trillion in the high-growth scenario, in which 35 GW of capacity is built. Each annual round of purchasing 2 200 MW of RE capacity would cost approximately R77 billion in 2014 Rand value terms. In relative economic terms, this equates to 2% of the GDP per annum or approximately one quarter of Government's planned annual investment in infrastructure over the medium term. In the low economic growth scenario, which is arguably the more realistic one, the average annual new liability over the period is approximately R40 billion.

The study also points out that infrastructure spend is more beneficial than other government expenditure due to the infrastructure multiplier effect. This refers to the beneficial impact of infrastructure on economic growth in both the short term, resulting from expansion in aggregate demand, as well as in the longer term (six to eight years) due to enhanced productive capacity in the economy. A recent USA study on highway expenditure revealed the infrastructure multiplier to be a factor of two on average, and greater during economic downturns (Leduc & Wilson 2013). This means that one dollar spent on infrastructure raises GDP by two dollars. If the same were to hold true, as similar analysis suggests it would (Kumo 2012, Ngandu et al 2010), this indicates that the construction of renewable energy plants could be a valuable economic growth driver at a time when fears of recession abound.

The report concludes that the WWF is optimistic that South Africa can achieve a much more promising clean energy future than current plans allow for. With an excellent solar resource and several good wind-producing pockets, the country is an ideal candidate for a renewable energy revolution.

The report indicates that the levelised cost of producing renewable energy already competes favourably with the three main alternatives, namely coal, gas and nuclear. In addition, renewable energy would contribute to a more climate-resilient future and insulate South Africa from dependence on expensive and unreliable fuel sources priced in dollars. Critical from a planning perspective, the report notes that renewable energy can also provide added flexibility on an 'as needed' basis, as electricity demand grows. This is vital in a highly uncertain environment.

#### **2.4.5 The impact of the green economy on jobs in South Africa**

The paper notes that greening the economy is particularly important in South Africa for two basic reasons: (1) the exceptional level of unemployment that the country is experiencing and (2) the high carbon impact of the economy.

In terms of employment, the paper refers to the IDC *Green Jobs Report* (2011). In summary, the short-term (next 2 years) estimate of total net employment potential is 98 000 jobs, and the long-term (next 8 years) employment potential is 462 567 jobs. Natural resource management is predicted to lead to the greatest number of these at 232 926 long-term jobs. Green energy generation is estimated to produce 130 023 long-term jobs, with energy and resource efficiency measures adding another 67 977 long-term jobs.



The paper notes that the Green Jobs Report was prepared by seventeen primary researchers from three prominent organisations, namely the IDC, the Development Bank of South Africa, and Trade and Industrial Policy Strategies. Many role players from other organisations were also consulted, including the World Wide Fund for Nature, the Green Building Council, the Economic Development Department and private companies involved in green industries.

Despite questions surrounding the employment estimates contained in the Green Jobs Report, green economic activity does appear to generate more local jobs than fossil-fuel-based industries. Some of the estimates also indicate the potential for significant employment. The paper concludes that the figures represent a promising starting point that warrants further research and policy involvement in greening the economy in South Africa.

#### **2.4.6 The potential for local community benefits**

In her thesis, Tait<sup>7</sup> notes that the distributed nature of renewable energy generation can induce a more geographically dispersed pattern of development. As a result, RE sites can be highly suited to rural locations with otherwise poor potential to attract local inward investment therefore enabling to target particularly vulnerable areas.

In her conclusion, Tait notes that the thesis has found positive evidence for the establishment of community benefit schemes in the wind sector in South Africa. These benefits would also apply to solar projects. The BBBEE requirements for developers as set out in the DoE's IPPPP for renewables is the primary driver for such schemes. The procurement programme, in keeping with the objective of maximising the economic development potential from this new sector, includes a specific focus on local communities in which wind farms are located.

The procurement programme, typical of all Government tendering processes, includes a BBBEE scorecard on which renewable energy projects are evaluated. However, the renewables scorecard appears to play an important part in a renewed focus on the broad-based Aspects of the legislation, as enforced by a recent national review of the BBBEE Act. In this regard, the renewables scorecard includes specifications for local communities in respect of broad-based ownership schemes, socio-economic development and enterprise development contributions. This approach to legislating social responsibilities of business in all sectors definitely has a South African flavour, borne out of the political history of the country and the imperatives for social transformation laid out in the constitution.

While Tait notes that it is still early days for the development of this sector and one cannot determine the impact that such benefit schemes may have, it is clear though that targeted development expenditure will be directed to multiple rural communities and there seems to be a strong potential to deliver socio-economic benefits.

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<sup>7</sup> The potential for local community benefits from wind farms in South Africa, Louise Tait (2012), Master's Thesis, Energy Research Centre University of Cape Town. Similar benefits are also likely to be associated with solar energy projects.

## SECTION 3: OVERVIEW OF STUDY AREA

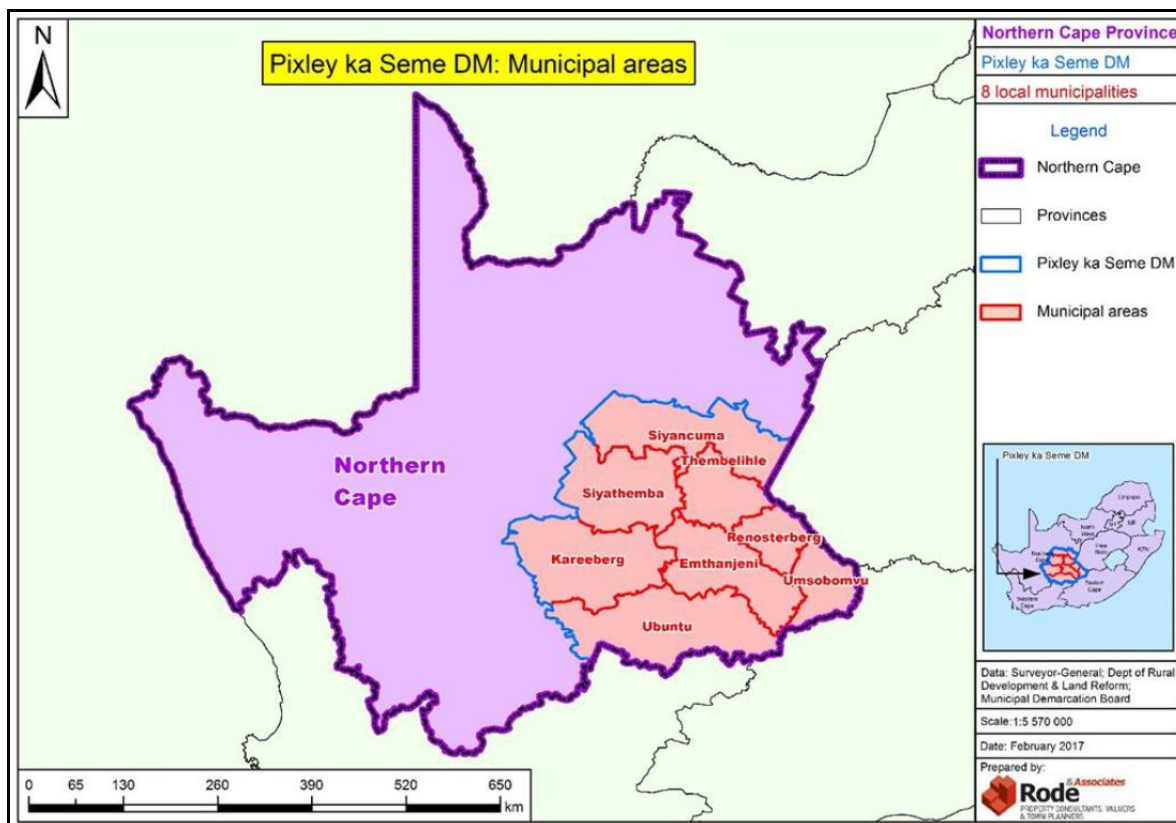
### 3.1 INTRODUCTION

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

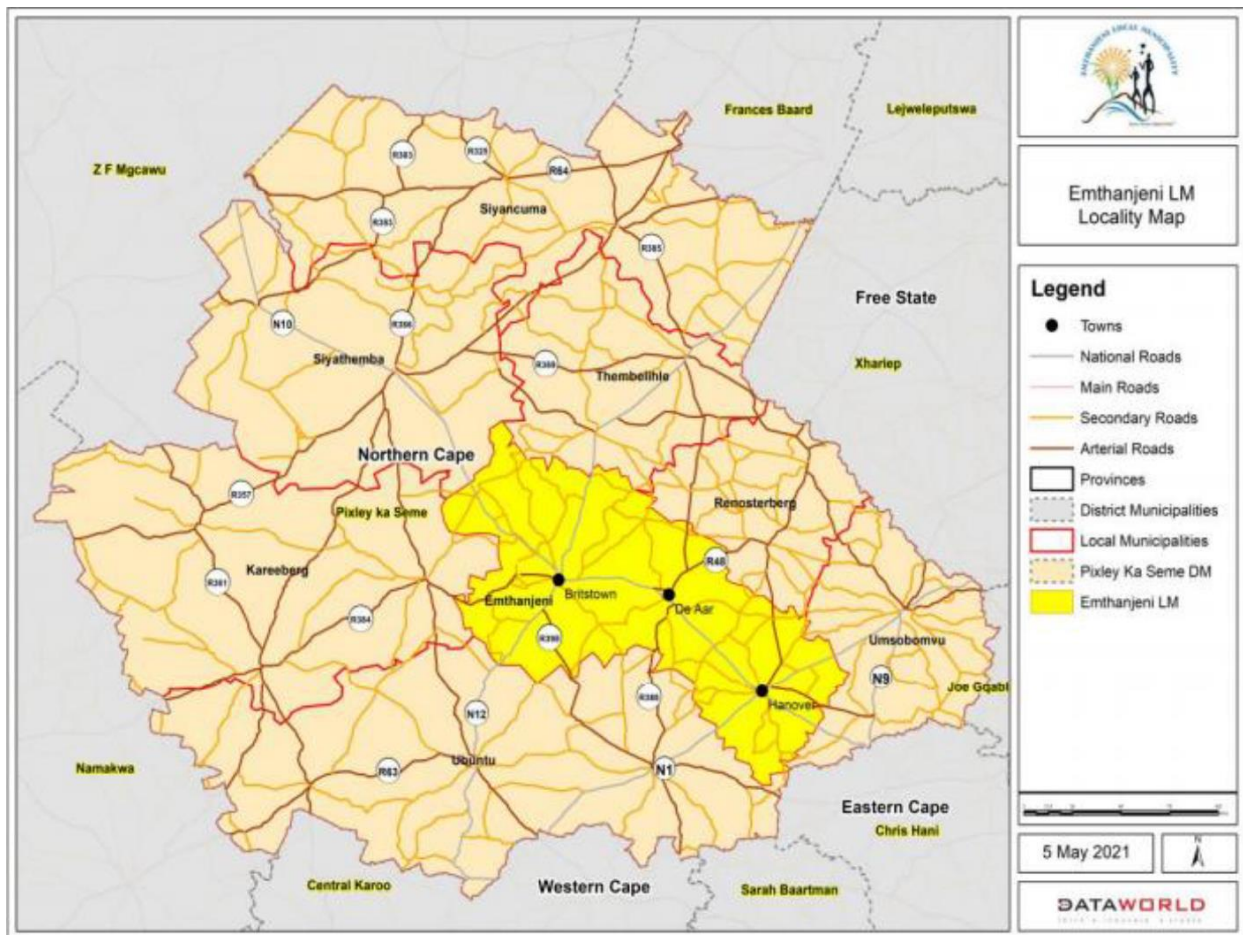
- The administrative context.
- Provincial context.
- Overview of district and local municipalities.
- Site and the surrounding land uses.

### 3.2 ADMINISTRATIVE CONTEXT

The study area is located within the Emthanjeni Local Municipality (ELM), which falls within the Pixley ka Seme District Municipality (PKSDM) in the Northern Cape Province (Figure 3.1). The PKSDM is made up of eight category B local municipalities which include Emthanjeni, Kareeberg, Thembelihle, Siyathemba, Renosterberg, Ubuntu, Siyancuma and Umsobomvu municipalities. De Aar is the administrative seat of the EML and PKSDM. The site is located within Ward 6 in the ELM.



**Figure 3.1: Location of the Pixley Ka Seme District Municipality and Emthanjeni Local Municipality and within the Northern Cape Province**



**Figure 3.2: Location of Emthanjeni Local Municipality within the Pixley Ka Seme District Municipality**

### 3.3 PROVINCIAL CONTEXT<sup>8</sup>

The proposed site located in the Northern Cape Province, which is the largest province in South Africa and covers an area of 361 830 km<sup>2</sup> and, constitutes approximately 30% of South Africa. The province is divided into five district municipalities (DM), namely, Frances Baard, Karoo, Namakwa, Pixley Ka Seme and ZF Mgcawu District Municipality (known before 1 July 2013 as Siyanda DM). The site itself is located in the Pixley Ka Seme DM.

#### **Population**

Despite having the largest surface area, the Northern Cape has the smallest population of 1 193 780 (Community Household Survey, 2016) or 2.2% of the population of South Africa. Of the five districts, Frances Baard has the largest population (32.5%), followed by ZF Mgcawu District Municipality (21.2%), John Taola Gaetsewe (20.3%), Pixley ka Seme

<sup>8</sup> 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 2016 Community Household Survey has been used to update the information.

(16.4%) and Namakwa (9.7%). The majority of the population in the Northern Cape Province are Black African (48.1%), followed by Coloureds (43.7%) and Whites (7.7%).

In terms of age, 36.5% of the Northern Cape population is between 15 and 34 years old, which is the highest age distribution, followed by 29.2% of those aged 35–64 years, while only 6.6% comprised those aged 65 years and older. Similarly, this pattern is also seen across all districts in the province. The district profile shows that the highest proportions of persons aged 15–34 years were recorded in Pixley Ka Seme, ZF Mgcawu and John Taolo Gaetsewe districts. The figures for these three districts were also above the provincial average of 36.5%. The proportion of persons aged 65 years and older was higher in Namakwa (9.5%) and Frances Baard (8.2%).

### **Education**

Based on the information contained in the NCPSTF 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, while 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 (NCSDF, 2012).

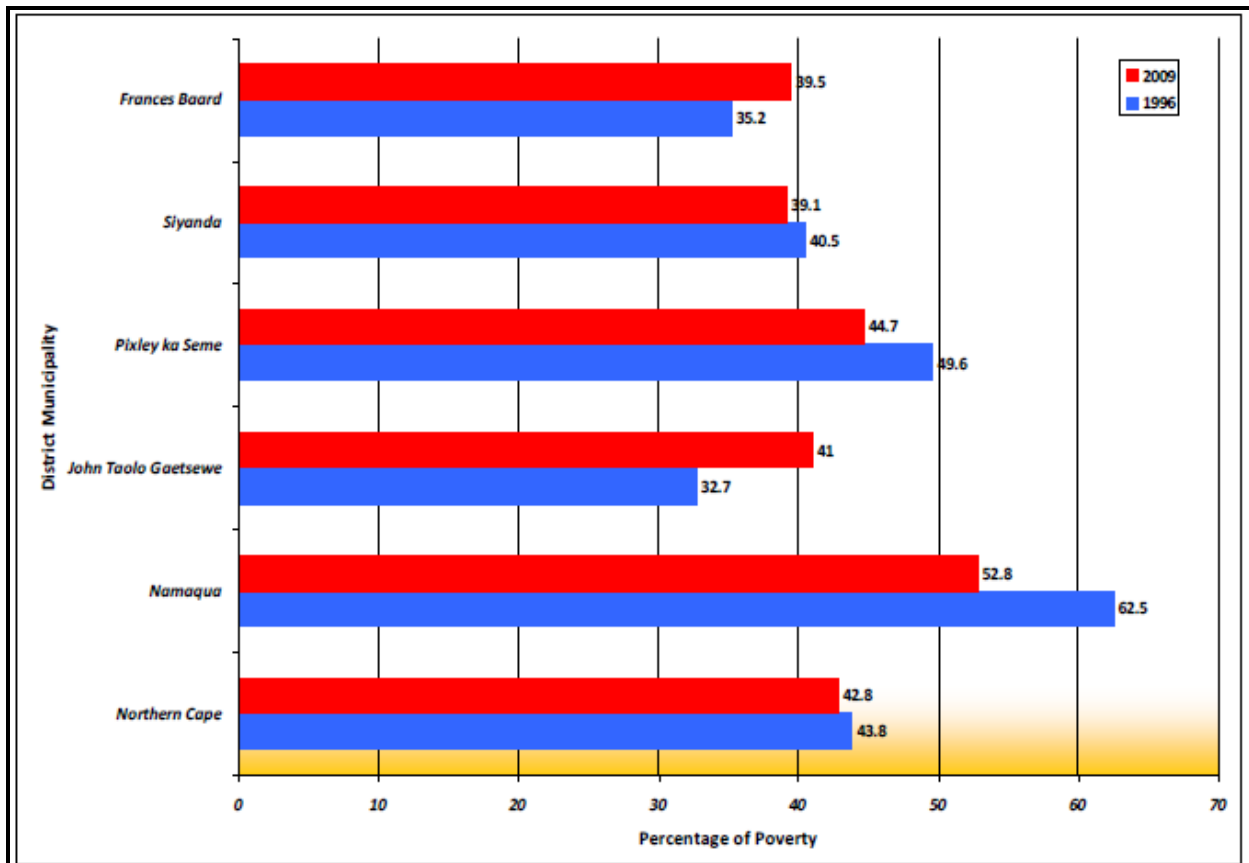
### **Economic development**

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 living<sup>9</sup>. 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.

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<sup>9</sup> 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.

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 3.3). The goal set by the province is to decrease the percentage of people living below the poverty line to 20% by 2015 (NCSDF, 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.



**Figure 3.3: Percentage of people living in poverty in the Northern Cape (Source: Global Insight, 2009 as cited in the PGDS, July 2011)<sup>10</sup>.**

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 used<sup>11</sup>.

<sup>10</sup> Siyanda DM is now called the ZF Mgcawu DM.

<sup>11</sup> 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 for an individual or R 3 200 per month for a household of four.

### **Economic sectors**

The Northern Cape economy has shown significant recovery since 2000/2001 when it had a negative economic growth rate of -1.5% (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, 84% of its iron-ore, 93% of its lead and 99% of its manganese.

Agriculture and agri-processing sector are also key economic sectors. 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 (NCSD, 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:

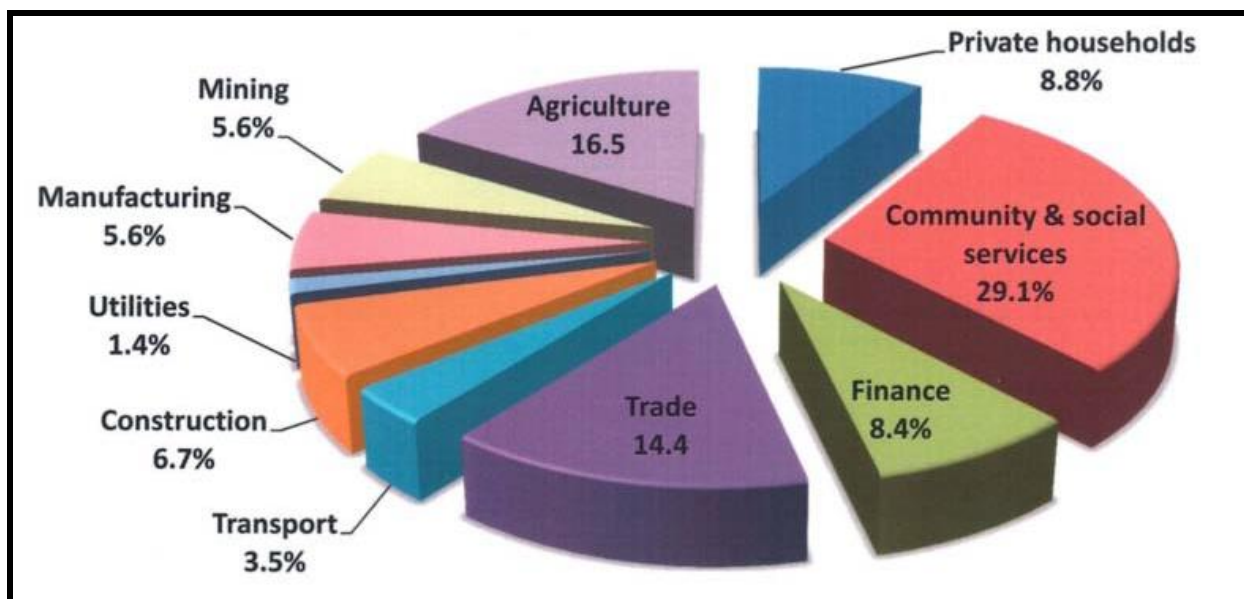
- High-value horticultural products such as table grapes, sultanas and wine grapes, dates, nuts, cotton, fodder, and cereal crops are grown along the Orange River.
- Wheat, fruit, groundnuts, maize and cotton in the Vaalharts irrigation scheme in the vicinity of Hartswater and Jan Kempdorp.
- Vegetables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

### 3.4 MUNICIPAL OVERVIEW

#### **Population**

The population of the ELM in 2016 was 45 404. Of this total, 36.4% were under the age of 18, 57.9% were between 18 and 64, and the remaining 5.8% were 65 and older. The ELM therefore has a relatively large young population. This creates challenges in terms of creating employment opportunities. In terms of race groups, Coloureds made up 60.9% of the population, followed by Black Africans (32%) and Whites (6.9%). The main first language spoken in the ELM was Afrikaans (69.6%), followed by IsiXhosa (26.5%) and English (0.9%).

The population of Ward 6 in 2011 was 5 784. Of this total, 36.3% were under the age of 18, 58% were between 18 and 64, and the remaining 5.7% were 65 and older. Like the ELM, Ward 6 also had a relatively large young population. In terms of race groups, Coloureds made up 46.4% of the population, followed by Black Africans (45.2%) and Whites (7.3%). The main first language spoken in the Ward 6 was Afrikaans (56.2%), followed by IsiXhosa (32.3%) and English (2.1%).

The high percentage of young people in both the ELM and Ward 6 means that a large percentage of the population is dependent on a smaller productive sector. The dependency ratio is the ratio of non-economically active dependents (usually people younger than 15 or older than 64) to the working age population group (15-64). The higher the dependency ratio the larger the percentage of the population dependent on the economically active age group. This in turn translates reduced revenue for local authorities to meet the growing demand for services. The national dependency ratio in 2011 was 52.7%, similar to that of the Northern Cape Province (55.7%). The dependency ratio for the ELM (2011) was 60.4%. The traditional approach is based people younger than 15 or older than 64. The 2016 information provides information for the age group under 18. The total number of people falling within this age group will therefore be higher than the 0-15 age group. However,

most people between the age of 15 and 17 are not economically active (i.e., they are likely to be at school).

Using information on people under the age of 18 is therefore likely to represent a more accurate reflection of the dependency ratio. Based on these figures, the dependency ratio for the ELM in 2016 and Ward 6 (2011) was 72.8% and 72.4% respectively. This figure is significantly higher than the national and provincial levels in 2011 (52.7% and 55.7% respectively). The higher dependency ratio reflects the limited employment opportunities in the area and represent a significant risk to the district and local municipality. The high dependency ratio also highlights the importance to maximising local employment opportunities and the key role played by training and skills development programmes.

### ***Households and house types***

Based on the information from the 2016 Community Survey there were a total of 11 992 households in the ELM and 1 687 in Ward 6. Most of the households reside in formal houses (74.2% ELM and 88.1% Ward 6). The figure for the ELM is similar to the District (78.1%) and Provincial (74.4%) figures. Approximately 17% of the households in the ELM reside in backyard flats and a further 4.2% in informal shacks. For Ward 6 only 1.2% lived in shacks.

Based on the information from the 2016 Community Household Survey 39.8% of the households in the ELM are headed by females compared to 31.1% for Ward 6 (2011). The figure for ELM was similar to the District and Provincial figures of 37% and 39% respectively. The high number of female-headed households at the local municipal and ward level reflects the lack on formal employment and economic opportunities in the ELM. As a result, job seekers from the ELM need to leave the areas to seek work in the larger centres. As indicated above, this highlights the importance to maximising local employment opportunities and the key role played by training and skills development programmes.

The majority of the job seekers are likely to be males. This is due to traditional rural patriarchal societies where the role of the women is usually linked to maintaining the house and raising the children, while the men tend to be the ones that migrate to other areas in search of employment.

### ***Household income***

Based on the data from the 2011 Census, 9.1% of the population of the ELM had no formal income, 3.3% earned less than R 4 800, 4.9% earned between R 5 000 and R 10 000 per annum, 18.2% between R 10 000 and R 20 000 per annum and 22.4% between R 20 000 and 40 000 per annum (2011). The figures for Ward 6 were 7.7%, 3.3%, 5.2%, 21% and 22.6%. The poverty gap indicator produced by the World Bank Development Research Group measures poverty using information from household per capita income/consumption. This indicator illustrates the average shortfall of the total population from the poverty line. This measurement is used to reflect the intensity of poverty, which is based on living on less than R3 200 per month for an average sized household (~ 40 000 per annum). Based on this measure, in the region of 57.9% of the households in the ELM and 59.8% in Ward 6 live close to or below the poverty line. While this figure is lower than the provincial level of 62.9%, the low-income levels reflect the limited employment opportunities in the area and dependence on the agricultural sector. This is also reflected in the high unemployment rates. As indicated above, this highlights the importance to maximising local employment opportunities and the key role played by training and skills development programmes.

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 ELM. This in turn impacts on the ability of the ELM to maintain and provide services.

The Integrated Development Plan (IDP) for the ELM indicates that the total number of indigent households within the municipal area increased from 2 726 households as of 30 June 2014 to 2 874 as at April 2017 and about 3 594 households during January 2016/17. The COVID-19 pandemic is likely to have resulted in an increase in the number of indigent households in 2020 and 2021.

### ***Employment***

The official unemployment figure in 2011 for the ELM was 14.5%. The figures also indicate that the majority of the population are not economically active, namely 43.7%. These figures are similar to the official unemployment rate for the Northern Cape Province (14.5%) and Pixley ka Seme District (14.8%). This reflects the limited employment opportunities in the area, which in turn are reflected in the low income and high poverty levels. Given the impact of COVID-19 pandemic, the unemployment levels are likely to be higher in 2021. The figures for Ward 6 were 11.7% (unemployed) and 44% of the economically active population being employed.

### ***Education***

In terms of education levels, the percentage of the population over 20 years of age in the ELM with no schooling was 17.4% in 2011, compared to 7.9% for the Northern Cape Province and 11.9% for the District. The percentage of the population over the age of 20 with matric was 28.3%, compared to 29.1% for the Province and 25.3% for the District. Only 1.5% and 1.4% of the population over the age of 20 years in the ELM had an undergraduate and postgraduate qualification, respectively. The relatively poor education levels in the ELM pose a potential challenge to the implementation of an effective training and skills development programme for local community members. The figures for Ward 6 (2011) were 16.4% with no schooling, 18.6% with matric and 1.9% and 1.3% with an undergraduate and postgraduate degree respectively.

## **3.5 MUNICIPAL SERVICES**

### ***Access to electricity***

Based on the information from the 2016 Community Survey 96.6% of households had access to electricity. Of this total 88.4% had inhouse prepaid meters. No data was available for Ward 6.

### ***Access to water***

Based on the information from the 2016 Community Survey 96.7% of households were supplied by a regional or local service provider. However, only 53.2% of the households had piped water inside their houses, while 44.3% relied on piped water inside the yard. The figures for the District were 45.8% and 44.4% respectively. Only 45.3% of households in the Northern Cape Province have piped water inside their homes. For Ward 6 77.5% of households were supplied by the local service provider and 19.2% relied on boreholes, which reflects the rural nature of Ward 6.

### ***Sanitation***

Based on the information from the 2016 Community Survey, 95.3% of households have access to flush toilets, 2.1% rely on pit latrines, 1.5% use bucket toilets, while 0.5% had no access to toilet facilities. The figures in terms of access to flush toilets are higher than provincial (71.4%) and District (82.8%) figures. For Ward 6 72.7% of households had access to flush toilets and 7.2% had no access to toilets. 16 % relied on pit latrines.

### ***Refuse collection***

Based on the information from the 2016 Community Survey, 79.8% of households have their refuse collected on a regular basis by a local authority or private company, 4.6% use their own dumps, and 8.7% are not serviced. For Ward 6, 59.8% were provided with a regular service while 20% relied on their own dump.

## **3.6 HEALTH AND COMMUNITY FACILITIES**

The PKSDM is served by 3 District Hospitals, 8 Community Health Centres, 28 Primary Health Care Clinics, 4 satellite clinics and 1 mobile clinic, distributed over the district. The ELM has 1 District Hospital and 6 Primary Health Care clinics. There are no community health centres within ELM that provide a 24hour service. A new hospital was built in De Aar and was opened in 2017. The Central Karoo Hospital serves as the referral hospital for the district. Minor operations are performed at the facility. Specialists visit the district on a monthly basis from Kimberley Hospital Complex. In terms of education the ELM has 16 schools of which 13 are no-fee schools. The ELM also has libraries.

## **3.7 ECONOMIC OVERVIEW**

### ***Agriculture***

Agriculture is the key economic sector in the PKSDM and ELM. Many of the towns within the district municipal area function mainly as agricultural service centres, with the level of services provided at the centres to a large extent reliable on the intensity of the farming practices in the surrounding area. Despite the largely semi-arid and arid environment in the district, the fertile land that lies alongside the Orange, Vaal and Riet Rivers supports the production of some of the country's finest quality agricultural products, including grapes and vegetables. The main livestock farming in the region include cattle, sheep, and goat farming. Game breeding has also been identified as one of the opportunities which could be linked with the tourism sector for Game reserves and hunting activities. However, despite the key role played by agriculture there is limited value adding to the farming products within the district and the area is prone to droughts and climate change.

### ***Mining***

The main deposits in Pixley ka Seme include alluvial diamond mining along the Orange River and various semi-precious stones, such as tiger-eye and zinc deposits. The region also has various saltpans for the potential of salt production. Uranium deposits also occur in the district.

### ***Tourism***

The tourism sector in the district contributes 15.6% to the provincial gross value added (GVA). The municipalities Emthanjeni, Kareeberg, Umsobomvu and Siyancuma municipalities are the biggest contributors to the provincial gross value added (GVA). The PKSDM IDP notes that the tourism opportunities in the district will increase due to the Karoo Array Telescope (KAT), a project being driven at a national level. Of relevance, the PKSDM notes that care needs to be taken with developments that have the potential to negatively impact on the Karoo landscapes.

### ***Renewable energy***

Of key relevance the PKSDM IDP identifies renewable energy as key economic sector and refers to the substantial socio-economic development (SED) and enterprise development (ED) contributions leveraged by the IPPPP commitments. The IDP notes that the towns of

Prieska and Carnarvon have in recent years changed character from small rural towns to potentially regional hubs as a result of investments in renewable energy generation and the Square Kilometre Array (SKA) radio telescope project, respectively.

### 3.8 OVERVIEW OF STUDY AREA

#### 3.8.1 Introduction

The Pixely Park PV cluster is located approximately 10 km to the west of De Aar. The southern boundary of the site borders onto the railway line to Nouport to the south west which then links up with Port Elizabeth to the south. The N10 which links De Aar to Port Elizabeth is located ~ 3km to the south of the site. The large, Eskom Hydra substation is located immediately to the west of the site. Other towns in the area are Philipstown, 35km to the north east, Britstown, 58km to the west and Hanover, 47km to the south of the site (Figure 3.5).

De Aar, which means “the artery”, was founded in 1904, and is the second most important railway junction in the country. Rail lines linking Gauteng, Cape Town, Port Elizabeth and Namibia all pass through the town. The decline of the railway sector over the last 20 years has impacted negatively on the towns economy. De Aar also has the largest abattoir in the Southern Hemisphere and supplies all the major centres throughout the entire country with the famous “Karoo” lamb and mutton. Apart from meat production, the sheep farms around De Aar are also major suppliers of wool. The town is total dependant on boreholes for its water supply. The landscape associated with the site is a typical Karoo landscape consisting of dolerite koppies and ridges separated by valley bottoms. The land uses are linked to livestock farming, specifically sheep farming.



**Figure 3.5: Location of Pixely Park PV cluster (Red Arrow)**

The Scoping level Visual Impact Assessment (VIA) (Logis, March 2022) notes that the study area occurs on land that ranges in elevation from approximately 1 230m above sea level (along the Brak River to the north-west) to 1 560m at the top of the hill north west of the properties. The terrain surrounding the proposed properties is generally flat, sloping gently to the north and south-west towards the Brak River, which bisects the north-eastern part of the properties. Some prominent hills and ridges occur in the study area - a small range of hills lies along the north-western border of the properties (Photograph 3.1). The study area is sparsely populated outside of the De Aar urban area with populations concentrations associated with isolated, farm homesteads.



**Photograph 3.1: Typical topography and grass veld vegetation**

The N10 national road traverses the study area from the N1 national road (near Hanover) to De Aar. The areas sense of place is also impacted by rail infrastructure, with De Aar representing the second most important railway junction in South Africa. Railway lines run from the north, west, south and the south east, converging in the town. These lines include both freight and passenger lines.

Other industrial infrastructure within the study area includes the Hydra (to the west of the proposed Pixley Park properties) and Bletterman Substations (Photograph 3.2). The Hydra Substation Road provides access to the Pixley Park properties from the N10 national road.



There are a large number of overhead transmission lines associated the substations. These include:

- Hydra/Perseus 2 and 3 400kV.
- Beta/Hydra 1 400kV.
- Hydra/Ndhlovu 1 132kV.
- Hydra/Roodekuil 1 132kV.
- Hydra/Roodekuil 2 220kV.
- Hydra/Ruigtevallei 1 and 2 220kV.
- Bletterman/Taaibos 1 132kV.
- Hydra/Poseidon 1 and 2 400kV.

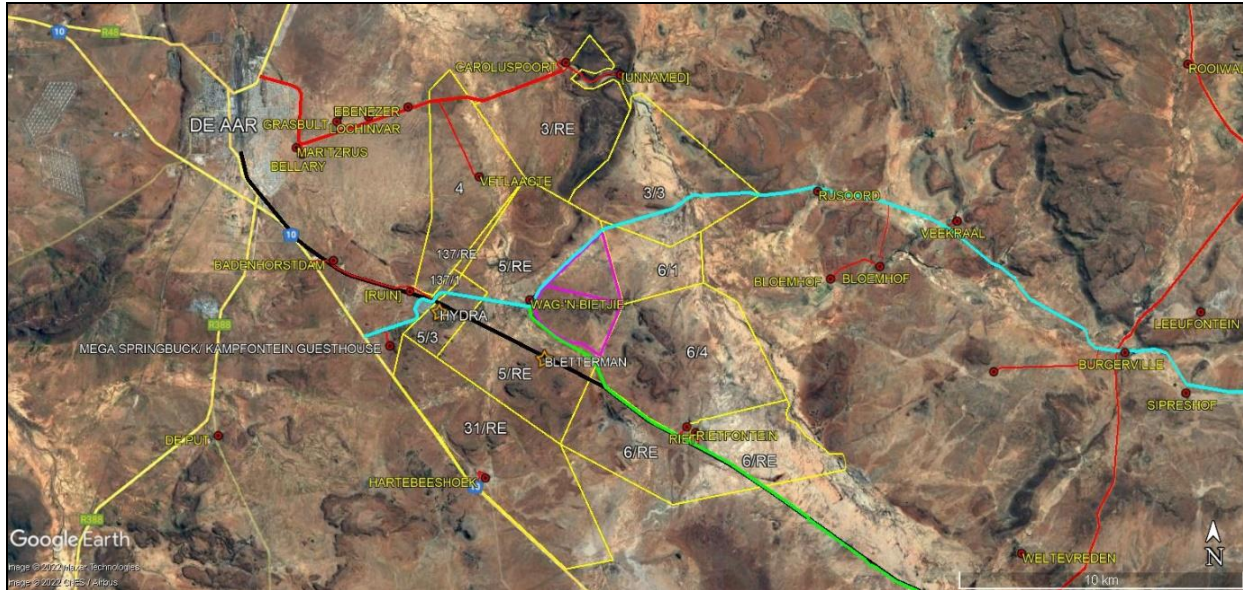


**Photograph 3.2: Hydra Substation**

Despite the impact of the substations and associated transmission on the area in the vicinity of De Aar, the sense of place and landscape character of the study area is characterised by wide-open spaces and very limited development. The VIA does however note that there are however a number of authorised (and current) renewable energy applications within the study area and the greater region, that may change the landscape to some degree in the future.

### 3.8.2 Site and adjacent properties

The Wagt PV1 (and Extension) site is located on a portion of one property, Wag en Bittje 5/RE (Figure 3.6). The 3492-ha property and the small adjacent Wag 'n Bietjie Annexe 137/RE (68 ha) are owned by Mr Bennie van der Merwe who resides on 5/RE (Wag-'n-bietjie). The farmstead is located along the Hydra public gravel road near the intersection with the railway servitude road (to Hanover Road siding 47 km to the south-east) (Photograph 3.3). The site property is bisected W-E by the De Aar-Hanover railway line. Eskom's small Bletterman substation is located on a small subdivision adjacent to the south of the line.



**Figure 3.6: Wagt PV 1 and Wagt 1 PV Extension sites (pink outlines) in relation to site- and adjacent properties (yellow), local settlement pattern, railway line (black), Hydra Road (blue), Hanover Road railway road (green) and other local roads (red)**





**Photograph 3.3: Farmstead on Wag `n Bietjie**

Mr van der Merwe is semi-retired. He keeps a few sheep, but the veld is effectively leased out to Mr Dupie Pienaar, the owner of adjacent Caroluspoort. Three workers are employed on the property, two of whom by Mr Pienaar. All three worker families live on the property, near the farmstead. No tourism facilities or activities are associated with the property. No game breeding or commercial hunting takes place on the property (van der Merwe, pers. comm).

The Wagt PV site property borders onto ten properties. As indicated, Wag `n Bietjie Annexe 137/RE belongs to Mr van der Merwe. The other 9 properties belong to 4-5 land owners (Table 3.1). Eskom Hydra is located on a portion of Wag en Bittje 5/3 (and Hydra 144). The ownership of Wag `n Bietjie Annexe 137/1 is unclear. The small property (43 ha veld) located adjacent to the north of Hydra may belong to Eskom.



**Photograph 3.4: View towards Wagt PV site from railway road**

**Table 3.1: Overview of Wagt PV 1 (Extended) site and site-adjacent properties (clockwise from north)**

PROPERTY	OWNER	Ha	RES	USE
5/RE Wag en Bittje	Van der Merwe, Mr Bennie	3492	Yes	Wag-'n-Bietjie farmstead + 3 labourer h/h; Leased out as grazing (Pienaar); Wagt PV1 and Wagt PV1 Extension site
3/RE Carolus Poort	Pienaar, Mr Dupie	1589	No	Grazing
3/3 Carolus Poort	Pienaar, Mr Dupie	1809	No	Grazing; Proposed Carolus PV1 site
6/1 Riet Fountain	Pienaar, Mr Dupie	638	No	Grazing; Proposed Fountain PV1 site
6/4 Riet Fountain	Du Toit, Mr Pieter	2279	Yes	Riet farmstead (but not used as dwelling); Grazing; Riet Fountain PV1 site
6/RE Riet Fountain	Du Toit, Mr Pieter	2271	Yes	Rietfontein farmstead + 2 labourer h/h; Grazing



31/RE Hartebeest Hoek	Horn, Mr Albie	2272	Yes	Hartebeeshoek farmstead; Grazing
5/3 Wag en Bittje	Eskom	330	No	Eskom Hydra; Disused sports field
137/1 Wag 'n Bietjie Annexe	???	43	No	Grazing (assumed)
137/RE Wag 'n Bietjie Annexe	Van der Merwe, Mr Bennie	68	No	Grazing (assumed)
4 Vetlaagte	Pienaar, Mr Dupie	1498	No	Grazing; Structures used only for farming purposes

The seven remaining properties form part of the sheep farming operations of Messrs Dupie Pienaar (Caroluspoot), Pieter du Toit (Rietfontein) and Albie Horn (Hartebeeshoek), respectively. Inhabited dwellings are only located on 2 properties, Rietfontein (Riet Fountain 6/RE) and Hartebeeshoek. The dwelling on Riet (6/4) is not inhabited. Mr du Toit and 2 labourer households reside on Rietfontein. The farmstead is located just to the north of the De Aar-Hanover railway line approximately 4.3 km SE of the site. The farmstead cluster on Hartebeeshoek is located along the N10, 5.5 km south of the site, across the railway line. Mr Pienaar's operation is based on Carolus Poort 3/12, near-adjacent to the north of the site. The structures on site-adjacent Vetlaagte 4 are only used for farming purposes. No tourism or commercial hunting is associated with these properties.

### 3.8.3 Relationship to social receptors

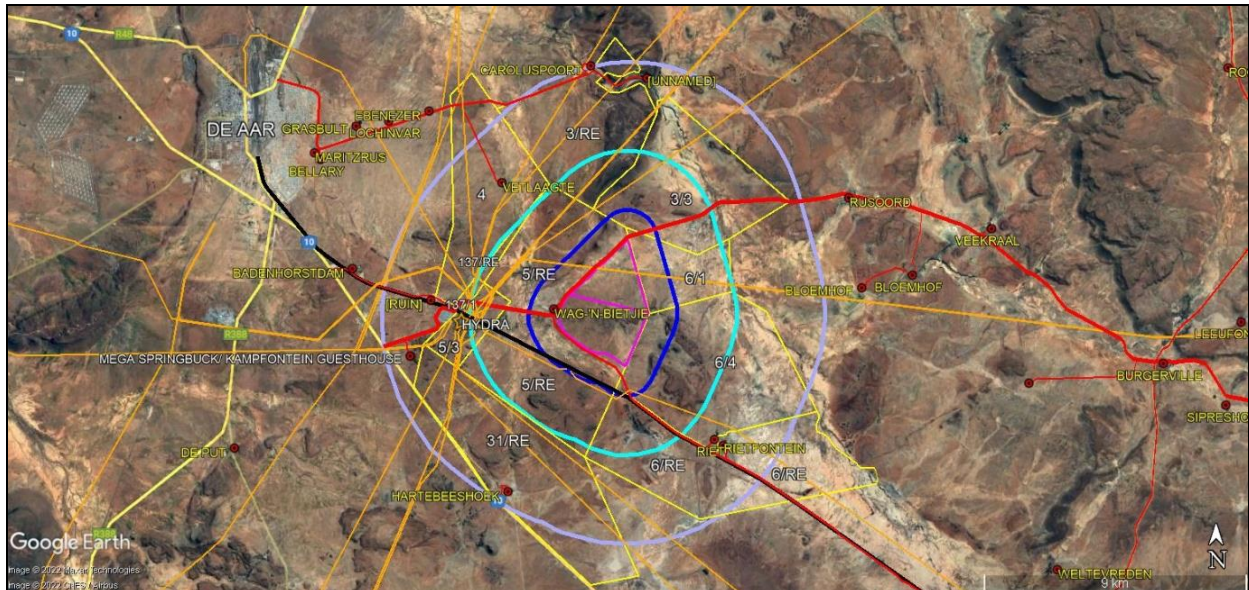
The site is located in a relatively sparsely inhabited rural area (Figure 3.7). The immediate study area sense of place is influenced by the presence of Hydra substation, associated lines, and the De Aar-Hanover railway line. The nearest urban receptor, De Aar, is located approximately 9.6 km (Nonzwakazi built edge) to the west of the site. Only five residential receptors (clusters) are located within a 6 km radius of the site's outer boundaries. The Wag-'n-bietjie farmstead (site property) is located very near to the site (170 m to the west). The farmstead and portions of the yard enjoy some screening provided by the many trees planted around the farmstead. The other 4 receptor clusters are all located considerably further, viz. on Carolus Poort 3/7 (unnamed, 5.5 km to the north), Riet Fountain 6/RE (Rietfontein, 4.3 km SE), Hartebeeshoek (5.5 km S), and Kampfontein Guesthouse (5.2 km SW). Kampfontein is the only tourism-related receptor.

Kampfontein Guesthouse forms part of the Mega Springbuck commercial hunting (paying hunters) operation located on Hartebeesplaas 135 near-adjacent to the SW of the site. The accommodation facility is located on the small corner portion of the property north of the N10 south of Hydra substation, while hunting (variety of species) takes place on the portion to the south of the road (i.e., not in meaningful proximity to the site, and across intervening roads and Hydra). The guesthouse facility (14 double suites) is located along the Hydra road between the N10 and Hydra substation.<sup>12</sup> It is substantially closer to Hydra (1.6 km) than the site (5.2 km). It is moreover topographically screened from the site by a series of low kopjes immediately to the north of the guesthouse complex.

The findings of the Scoping VIA indicate that the site would be highly visible from the Wag-'n-Bietjie farmstead and portions of the Hydra gravel road. All other residential/ tourism receptors within a 6 km range (limit of effective visibility) are screened from the site by intervening topography. The site would be distantly visible from the inhabited farmsteads on

<sup>12</sup> <https://megaspringbuck.co.za/>

Bloemhof and Rusoord to the east, but given the long intervening distances (>7.5 km), the visual impact would be very low (Logis, 2022).



**Figure 3.7: Wagt PV 1 and Wagt 1 PV Extension sites (pink outlines) in relation to local receptors; dark blue circle indicates 1 km from site, light blue 3 km, and light purple 6 km. Also indicated are the railway line (black), local roads (red; Hydra Rd in bold), and existing Eskom lines (orange) (distances mapped from Scoping VIA<sup>13</sup>)**

The Wagt PV1 site (extended) would occupy approximately 737 ha of veld used exclusively for grazing. The study area carrying capacity is modest, approximately 1 Large Stock Unit (LSU): 20 hectares, i.e., 1 sheep: 2 hectares.<sup>14</sup> Development of the site would therefore result in the loss of grazing for approximately 369 sheep. As indicated, the owner is semi-retired, and the veld is leased out as grazing to an adjacent farmer, Mr Pienaar. The owner has indicated that he had no issues with the site location (van der Merwe, pers. comm).

The site (both portions) is located adjacent to the south/ east of the Hydra public gravel road. Most study properties are directly or indirectly accessed off the Hydra road. The only exception is Hartebeeshoek, which is accessed off the N10. Vetlaagte is also accessible from Caroluspoort to the north. The Hydra road provides a link between the N10 (from near Hydra substation) and the R389 (Hanover-Philipstown) to the east. It serves as a spine road in the study area, i.e., provides primary access to study area properties and those to the east. Relatively short detours via alternative roads are possible for most properties, viz. via the N-S aligned intersecting Burgervilleweg public gravel road and the railway road parallel to the north of the De Aar-Hanover railway line to the south. The site- and adjacent properties are all currently affected by one or more Eskom lines. This is linked to the proximity of the large Hydra substation (footprint of approximately 120 ha). A total of 19 lines currently enter/ exit Hydra. Three other Pixley Solar Park PV projects are currently proposed on site-adjacent properties, namely Fountain PV1 on Riet Fountain 6/1 (Pienaar),

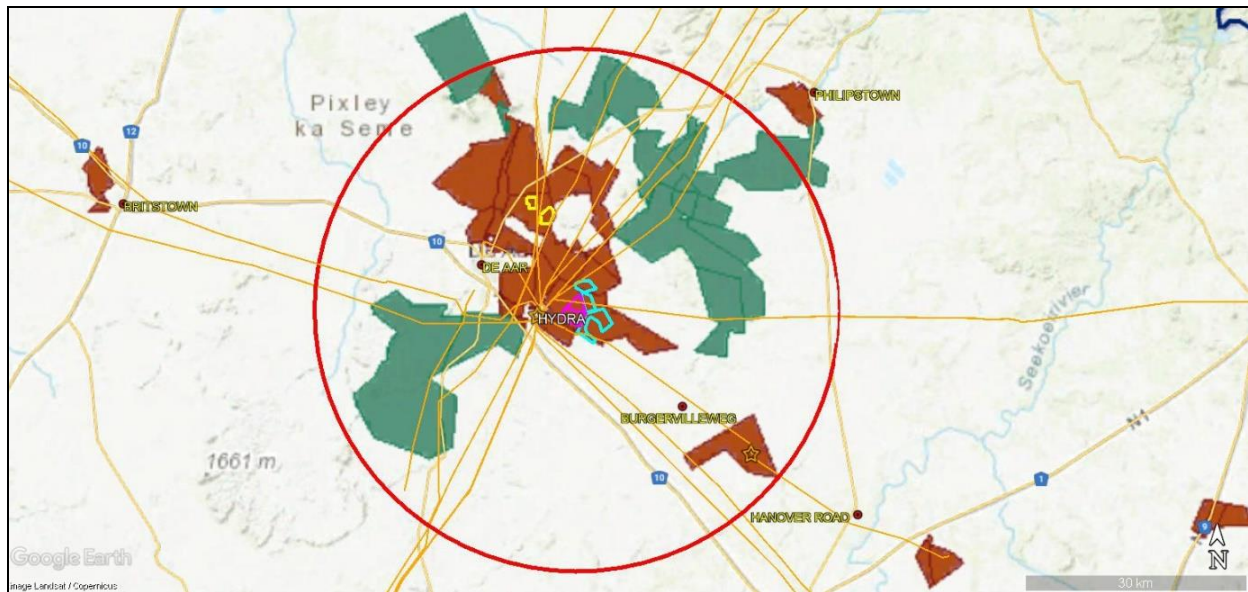
<sup>13</sup> LOGIS, 2022: Map 3.

<sup>14</sup> <https://gis.elsenburg.com/apps/cfm/#> (2018 Grazing Capacity). 1 LSU (head of cattle) = 10 x 45-kg sheep.

Riet Fountain PV on Riet Fountain 6/4 (du Toit), and Carolus PV on Carolus Poort 3/3 (Pienaar). As apparent, with the exception of Mr Horn (Hartebeesthoek) and Eskom Hydra, all site-adjacent landowners are currently affected by PV proposals of their own.

### 3.8.4 Location of other renewable energy facilities

The DFF&E's Renewable Energy Applications interactive website indicates that the Wagt PV1 (Extended) and three sibling Pixley Solar Park PV sites are located in an area which had witnessed a large number of historic applications for Renewable Energy Facilities (REFs).<sup>15</sup> All the Pixley Solar Park properties and many adjacent ones have in the past been proposed to accommodate PV SEFs (Figure x). The study area however does not fall within a defined Renewable Energy Development Zone.



**Figure x:** Wagt PV 1 and Wagt 1 PV Extension sites (pink outlines) and other proposed SEFs within Pixley ka Seme Solar Park (blue) in relation to historic and current REF applications within 35 km radius of the site (red circle); areas in brown fill indicate Solar PV applications, green fill wind energy; operational SEFs outlined in yellow, and orange lines indicate existing Eskom lines (Source: DFF&E).

Applications are historically concentrated around Hydra substation, with applications for Solar PV dominating in the area directly around Hydra. Solar PV applications within a 35 km radius of the site date back to around 2011. Three operational SEFs are located within a 35 km radius of the Wagt site, namely Solar Capital De Aar 1 PV and -De Aar 3 PV, both located to the NNW of the site (10 km, 13 km, respectively), and De Aar Solar along the R48 12.5 km NW of the site. Solar Capital De Aar 1 and De Aar Solar became operational in 2014, and Solar Capital De Aar 3 in 2016.<sup>16</sup>

<sup>15</sup> [https://egis.environment.gov.za/renewable\\_energy](https://egis.environment.gov.za/renewable_energy) (Updated February 2022).

<sup>16</sup> <https://www.solarcapital.co.za/our-projects/de-aar-3-project-2/>

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## **SECTION 4: OVERVIEW OF KEY SOCIAL ISSUES**

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### **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 project related information, including other specialist studies.
- Interviews with key interested and affected parties.
- Experience/ familiarity of the author with the area and local conditions.
- Experience with similar projects.

The assessment section is divided into the following sections:

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

### **4.2 ASSESSMENT OF POLICY AND PLANNING FIT**

The development of renewable energy is strongly supported at a national, provincial, and local level. The development of and investment in renewable energy is supported by the National Development Plan (NDP), New Growth Path Framework and National Infrastructure Plan, which all refer to and support renewable energy. The PKSDM SDF and IDP and ELM IDP also support the development of renewable energy. The development of the proposed REF is therefore supported by key policy and planning documents.

### **4.3 CONSTRUCTION PHASE SOCIAL IMPACTS**

The key social issues associated with the construction phase are the following:

#### **Potential positive impacts**

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

#### **Potential negative impacts**

- Impacts associated with the presence of construction workers on local communities.
- Impacts related to the potential influx of jobseekers.
- Increased risks to livestock and farming infrastructure associated with the construction related activities and presence of construction workers on the site.
- Increased risk of grass fires associated with construction related activities.
- Noise, dust, and safety impacts associated with construction related activities and vehicles.
- Impact on productive farmland.

### **4.3.1 Creation of local employment, training, and business opportunities**

The construction phase is expected to extend over a period of ~18 months and create approximately 250 employment opportunities during peak construction. The work associated with the construction phase will be undertaken by contractors and will include the establishment of the facility and the associated components, including, access roads, substation, services, and power line. It is anticipated that approximately 60% (150) of the employment opportunities will be available to low skilled workers (construction labourers, security staff etc.), 25% (63) for semi-skilled workers (drivers, equipment operators etc.) and 15% (37) for skilled personnel (engineers, land surveyors, project managers etc.). Members from the local communities in the area, specifically De Aar, would be in a position to qualify for some of the low skilled and some of the semi-skilled employment opportunities. The majority of these employment opportunities are also likely to accrue to Historically Disadvantaged (HD) members from these local communities.

Given high local unemployment levels and limited job opportunities in the area, this will represent a significant, if localised, social benefit. The remainder of the semi-skilled and majority of the skilled employment opportunities are likely to be associated with the contractors appointed to construct the SEF and associated infrastructure. However, in the absence of specific commitments from the developer to maximise local employment targets the potential opportunities for local employment will be limited. In addition, the low education and skills levels in the area may also hamper potential opportunities for local communities.

The total wage bill for the construction phase is estimated to be in the region of R 40 million (2022 Rand value). This is based on the assumption that the average monthly salary for low skilled, semi-skilled and skilled workers will be in the region of R 5 000, R 8 000 and R 30 000 respectively for a period of 16 months.

The capital expenditure associated with the construction will be in the region of R 1-1.5 billion (2022 Rand value). In terms of business opportunities for local companies, expenditure during the construction phase will create business opportunities for the regional and local economy. Opportunities may exist for local contractors and engineering companies based in De Aar. However, given the technical nature of the project and high import content associated with SEFs' opportunities for the local economy in the ELM are likely to be limited.

The sector of the local economy that is most likely to benefit from the proposed development is the local service industry. The potential opportunities for the local service sector would be linked to accommodation, catering, cleaning, transport, and security, etc. associated with the construction workers on the site. A percentage of the wage bill (~R 40 million) will be spent in the local economy which will also create opportunities for local businesses in De Aar. Implementing the enhancement measures listed below can enhance these opportunities. The enhancement measures would also enable the establishment of the proposed SEF to support co-operation between the public and private sectors, which would support local economic development in the ELM.

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

The potential benefits for local communities are confirmed by the findings of the Overview of the IPPPP undertaken by the Department of Energy, National Treasury and DBSA (June 2020). The study found that to date, a total of 52 603 job years<sup>17</sup> have been created for South African citizens, of which 42 355 job years were in construction and 10 248 in operations. To date, 42 355 job years for SA citizens were achieved during construction, which is 26% above the planned 33 707 job years for active projects. These job years are expected to rise further since 23BW4 projects are still in or entering, construction.

In terms of benefits for local communities, significantly more people from local communities were employed during construction than was initially planned. For active projects, the expectation for local community participation was 13 284 job years. To date 22 935 job years have been realised (i.e. 73% more than initially planned), with 23 projects still in, or entering, construction. The number of black SA citizens employed during construction also exceeded the planned numbers by 53%.

Black South African citizens, youths and rural or local communities have been the major beneficiaries during the construction phases, as they respectively represent 81%, 43% and 49% of total job opportunities created by IPPs to date. However, woman and disabled people could still be significantly empowered as they represent a mere 10% and 0.4% of total jobs created to date, respectively. Nonetheless, the fact that the REIPPPP has raised employment opportunities for black South African citizens and local communities beyond planned targets, indicates the importance of the programme to employment equity and the drive towards more equal societies.

The share of black citizens employed during construction (81%) and the early stages of operations (84%) has significantly exceeded the 50% target and the 30% minimum threshold. Likewise, the share of skilled black citizens (as a percentage of skilled employees) for both construction (69%) and operations (80%) has also exceeded the 30% target and minimum threshold of 18%. The share of local community members as a share of SA-based employees was 49% and 68% for construction and operations respectively – exceeding the minimum threshold of 12% and the target of 20%.

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<sup>17</sup> The equivalent of a full-time employment opportunity for one person for one year.



**Table 4.1: Impact assessment of employment and business creation opportunities during the construction phase**

<b>Nature:</b> Creation of employment and business opportunities during the construction phase		
	<b>Without Mitigation</b>	<b>With Enhancement</b>
<b>Extent</b>	Local – Regional (3)	Local – Regional (4)
<b>Duration</b>	Short term (2)	Short term (2)
<b>Magnitude</b>	Moderate (6)	High (8)
<b>Probability</b>	Highly probable (4)	Highly probable (4)
<b>Significance</b>	Medium (44)	Medium (56)
<b>Status</b>	Positive	Positive
<b>Reversibility</b>	N/A	N/A
<b>Irreplaceable loss of resources?</b>	N/A	N/A
<b>Can impact be enhanced?</b>	Yes	
<b>Enhancement:</b> See below		
<b>Residual impacts:</b> Improved pool of skills and experience in the local area.		

### Assessment of No-Go option

There is no impact, as the current status quo will be maintained.

### Recommended enhancement measures

In order to enhance local employment and business opportunities associated with the construction phase the following measures should be implemented:

#### Employment

- Preparation and implementation of a Stakeholder Engagement Plan (SEP) prior to and during the construction phase.
- Where reasonable and practical, the proponent should appoint local contractors and implement a 'locals first' policy, especially for semi and low-skilled job categories. However, due to the low skills levels in the area, the majority of skilled posts are likely to be filled by people from outside the area.
- Where feasible, efforts should be made to employ local contractors that are compliant with Broad Based Black Economic Empowerment (BBBEE) criteria.
- Before the construction phase commences the proponent should meet with representatives from the ELM to establish the existence of a skills database for the area. If such a database exists, it should be made available to the contractors appointed for the construction phase.
- The local authorities, community representatives, and organisations on the interested and affected party database should be informed of the final decision regarding the project and the potential job opportunities for locals and the employment procedures that the proponent intends following for the construction phase of the project.
- Where feasible, training and skills development programmes for locals should be initiated prior to the initiation of the construction phase.

- The recruitment selection process should seek to promote gender equality and the employment of women wherever possible.

### **Business**

- The proponent should liaise with the ELM with regards the establishment of a database of local companies, specifically BBBEE companies, which qualify as potential service providers (e.g. construction companies, catering companies, waste collection companies, security companies etc.) prior to the commencement of the tender process for construction contractors. These companies should be notified of the tender process and invited to bid for project-related work.
- Where possible, the proponent should assist local BBBEE companies to complete and submit the required tender forms and associated information.
- The ELM, in conjunction with the local business sector and representatives from the local hospitality industry, should identify strategies aimed at maximising the potential benefits associated with the project.

Note that while preference to local employees and companies is recommended, it is recognised that a competitive tender process may not guarantee the employment of local labour for the construction phase.

#### **4.3.2 Impact of construction workers on local communities**

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

- An increase in alcohol and drug use.
- An increase in crime levels.
- The loss of girlfriends and/or wives to construction workers.
- An increase in teenage and unwanted pregnancies.
- An increase in prostitution.
- An increase in sexually transmitted diseases (STDs), including HIV.
- Increased exposure to COVID-19.

Non-local construction workers will be accommodated in De Aar. The potential risk can be mitigated by a commitment to implement a local employment policy, specifically for the low and semi-skilled employment opportunities associated with the construction phase. As indicated above, the majority of the low skilled and a reasonable number of the semi-skilled work opportunities can be taken up by members from the local community. Employing members from the local community to fill the low-skilled job categories will reduce the risk and mitigate the potential impacts on the local communities. Where possible these workers should be sourced from the ELM and PKSDM. These workers will be from the local community and form part of the local family and social network and, as such, the potential impact will be reduced.

The findings of the SIA indicate that unemployment levels in the ELM are high. The creation employment opportunities for low and semi-skilled workers from the area would therefore represent a positive socio-economic benefit. While the risks associated with construction workers at a community level will be low, at an individual and family level they may be



significant, especially in the case of contracting a sexually transmitted disease or an unplanned pregnancy. This has been borne out from the experiences with other renewable energy projects in the Northern Cape Province, for example projects located near Sutherland and Poffadder. However, given the nature of construction projects it is not possible to totally avoid these potential impacts at an individual or family level.

**Table 4.2: Assessment of impact of the presence of construction workers in the area on local communities**

<b>Nature:</b> Potential impacts on family structures and social networks associated with the presence of construction workers		
	<b>Without Mitigation</b>	<b>With Mitigation</b>
<b>Extent</b>	Local (2)	Local (1)
<b>Duration</b>	Short term for community as a whole (2)	Short term for community as a whole (2)
<b>Magnitude</b>	Moderate for the community as a whole (6)	Low for community as a whole (4)
<b>Probability</b>	Probable (3)	Probable (3)
<b>Significance</b>	Medium for the community as a whole (30)	Low for the community as a whole (21)
<b>Status</b>	Negative	Negative
<b>Reversibility</b>	No in case of HIV and AIDS	No in case of HIV and AIDS
<b>Irreplaceable loss of resources?</b>	Yes, if people contract HIV/AIDS. Human capital plays a critical role in communities that rely on farming for their livelihoods	Yes, if people contract HIV/AIDS. Human capital plays a critical role in communities that rely on farming for their livelihoods
<b>Can impact be mitigated?</b>	Yes, to some degree. However, the risk cannot be eliminated	
<b>Mitigation:</b> See below		
<b>Residual impacts:</b> Impacts on family and community relations that may, in some cases, persist for a long period of time. Also, in cases where unplanned / unwanted pregnancies occur or members of the community are infected by an STD, specifically HIV and or AIDS, the impacts may be permanent and have long term to permanent cumulative impacts on the affected individuals and/or their families and the community.		

### Assessment of No-Go option

There is no impact as the current status quo would be maintained.

### Recommended mitigation measures

The potential risks associated with construction workers can be mitigated. The detailed mitigation measures should be outlined in the Environmental Management Plan (EMP) for the Construction Phase. Aspects that should be covered include:

- Preparation and implementation of a Stakeholder Engagement Plan (SEP) prior to and during the construction phase.
- Preparation and implementation of a Community Health, Safety and Security Plan (CHSSP) prior to and during the construction phase.
- The SEP and CHSSP should include a Grievance Mechanism that enables stakeholders to report resolve incidents.
- Where possible, the proponent should make it a requirement for contractors to implement a 'locals first' policy for construction jobs, specifically for semi and low-skilled job categories.
- The proponent should consider the option of establishing a Monitoring Forum (MF) in order to monitor the construction phase and the implementation of the recommended mitigation measures. The MF should be established before the construction phase commences, and should include key stakeholders, including representatives from local communities, local ELM Councillor, farmers and the contractor(s). The MF should also be briefed on the potential risks to the local community associated with construction workers.
- The proponent and the contractor(s) should, in consultation with representatives from the MF, develop a code of conduct for the construction phase. The code should identify which types of behaviour and activities are not acceptable. Construction workers in breach of the code should be dismissed. All dismissals must comply with the South African labour legislation.
- The proponent and the contractor should implement an HIV/AIDS and COVID-19 awareness programme for all construction workers at the outset of the construction phase.
- The construction area should be fenced off before construction commences and no workers should be permitted to leave the fenced off area.
- The contractor should provide transport for workers to and from the site on a daily basis. This will enable the contractor to effectively manage and monitor the movement of construction workers on and off the site.
- Where necessary, the contractors should make the necessary arrangements to enable low and semi-skilled workers from outside the area to return home over weekends and/or on a regular basis. This would reduce the risk posed to local family structures and social networks.
- The contractor must ensure that all construction workers from outside the area are transported back to their place of residence within 2 days for their contract coming to an end.
- It is recommended that no construction workers, with the exception of security personnel, should be permitted to stay over-night on the site.

#### **4.3.3 Influx of job seekers**

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

- Impacts on existing social networks and community structures.
- Competition for housing, specifically low-cost housing.
- Competition for scarce jobs.

- Increase in incidences of crime. The concern is that these job seekers may not leave town immediately and, in some cases, may stay indefinitely.

These issues are similar to the concerns associated with the presence of construction workers and are discussed in Section 4.3.2.

However, the influx of job seekers is however typically associated with large construction projects that extend over a number of years. The proposed project does not represent a large construction project. The potential for the influx of job seekers is therefore likely to be low. The potential impacts associated with the influx of job seekers are therefore likely to be low.

**Table 4.3: Assessment of impact of job seekers on local communities**

<b>Nature:</b> Potential impacts on family structures, social networks and community services associated with the influx of job seekers		
	<b>Without Mitigation</b>	<b>With Mitigation</b>
<b>Extent</b>	Local (2)	Local (1)
<b>Duration</b>	Permanent (5) (For job seekers that stay on the town)	Permanent (5) (For job seekers that stay on the town)
<b>Magnitude</b>	Minor (2)	Minor (2)
<b>Probability</b>	Probable (3)	Probable (3)
<b>Significance</b>	Low (27)	Low (24)
<b>Status</b>	Negative	Negative
<b>Reversibility</b>	No in case of HIV and AIDS	No in case of HIV and AIDS
<b>Irreplaceable loss of resources?</b>	Yes, if people contract HIV/AIDS. Human capital plays a critical role in communities that rely on farming for their livelihoods	Yes, if people contract HIV/AIDS. Human capital plays a critical role in communities that rely on farming for their livelihoods
<b>Can impact be mitigated?</b>	Yes, to some degree. However, the risk cannot be eliminated	
<b>Mitigation:</b> See below		
<b>Residual impacts:</b> See cumulative impacts.		

### **Assessment of No-Go option**

There is no impact as it maintains the current status quo.

### **Recommended mitigation measures**

It is impossible to stop people from coming to the area in search of a job. However, as indicated above, the proponent should ensure that the employment criteria favour local residents in the area. In addition:

- Preparation and implementation of a Stakeholder Engagement Plan (SEP) prior to and during the construction phase.

- Preparation and implementation of a Community Health, Safety and Security Plan (CHSSP) prior to and during the construction phase.
- The proponent, in consultation with the ELM, should investigate the option of establishing a MF to monitor and identify potential problems that may arise due to the influx of job seekers to the area. The MF should also include the other proponents of solar energy projects in the area.
- The proponent should implement a “locals first” policy, specifically with regard to unskilled and low skilled opportunities.
- The proponent should implement a policy that no employment will be available at the gate.

#### 4.3.4 Risk to safety, livestock, and farm infrastructure

The presence on and movement of construction workers on and off the site poses a potential safety threat to local farmers and farm workers in the vicinity of the site. In addition, farm infrastructure, such as fences and gates, may be damaged and stock losses may also result from gates being left open and/or fences being damaged. Stock theft linked directly or indirectly to the presence of construction workers on the site also poses a risk to farming activities.

The presence of construction workers on the site increases the exposure of farming operations and livestock to the outside world, which, in turn, increased the potential risk of stock theft and crime. The potential risks (safety, livestock, and farm infrastructure) can be effectively mitigated by careful planning and managing the movement of construction on the site workers during the construction phase. Mitigation measures to address these risks are outlined below.

**Table 4.4: Assessment of risk to safety, livestock, and damage to farm infrastructure**

<b>Nature:</b> Potential risk to safety of scholars, farmers and farm workers, livestock and damage to farm infrastructure associated with the presence of construction workers on site		
	<b>Without Mitigation</b>	<b>With Mitigation</b>
<b>Extent</b>	Local (3)	Local (2)
<b>Duration</b>	Short term (2)	Short term (2)
<b>Magnitude</b>	Medium (6)	Low (4)
<b>Probability</b>	Probable (3)	Probable (3)
<b>Significance</b>	Medium (33)	Low (24)
<b>Status</b>	Negative	Negative
<b>Reversibility</b>	Yes, compensation paid for stock losses and damage to farm infrastructure etc.	Yes, compensation paid for stock losses and damage to farm infrastructure etc.
<b>Irreplaceable loss of resources?</b>	No	No
<b>Can impact be mitigated?</b>	Yes	

<b>Mitigation:</b> See below
<b>Residual impacts:</b> No, provided losses are compensated for.

### **Assessment of No-Go option**

There is no impact as it maintains the current status quo.

### **Recommended mitigation measures**

- Preparation and implementation of a Stakeholder Engagement Plan (SEP) prior to and during the construction phase.
- Preparation and implementation of a Community Health, Safety and Security Plan (CHSSP) prior to and during the construction phase.
- The construction area should be fenced off prior to the commencement of the construction phase. The movement of construction workers on the site should be confined to the fenced off area.
- The proponent should enter into an agreement with the local farmers in the area whereby damages to farm property etc. during the construction phase will be compensated for. The agreement should be signed before the construction phase commences.
- Traffic and activities should be strictly contained within designated areas.
- Strict traffic speed limits must be enforced on the farm.
- All farm gates must be closed after passing through.
- Contractors appointed by the proponent should provide daily transport for low and semi-skilled workers to and from the site. This would reduce the potential risk of trespassing on the remainder of the farm and adjacent properties.
- The proponent should consider the option of establishing a MF (see above) that includes local farmers and develop a Code of Conduct for construction workers. This committee should be established prior to commencement of the construction phase. The Code of Conduct should be signed by the proponent and the contractors before the contractors move onto site.
- The proponent should hold contractors liable for compensating farmers and communities in full for any stock losses and/or damage to farm infrastructure that can be linked to construction workers. This should be contained in the Code of Conduct to be signed between the proponent, the contractors', and neighbouring landowners. The agreement should also cover losses and costs associated with fires caused by construction workers or construction related activities (see below).
- The Environmental Management Plan (EMP) must outline procedures for managing and storing waste on site, specifically plastic waste that poses a threat to livestock if ingested.
- Contractors appointed by the proponent must ensure that all workers are informed at the outset of the construction phase of the conditions contained on the Code of Conduct, specifically consequences of stock theft and trespassing on adjacent farms.
- Contractors appointed by the proponent must ensure that construction workers who are found guilty of stealing livestock and/or damaging farm infrastructure are dismissed and charged. This should be contained in the Code of Conduct. All dismissals must be in accordance with South African labour legislation.
- It is recommended that no construction workers, with the exception of security personnel, should be permitted to stay over-night on the site.

#### 4.3.5 Increased risk of grass fires

The presence of construction workers and construction-related activities on the site poses an increased fire risk, which could, in turn, pose a threat grazing and livestock. Due to the climate and sparseness of vegetation, the study area is not considered veld fire prone. However, all the farming operations depend on grazing and any fires would have the potential to have a significant impact on the already stressed farming operations. The potential fire risk of grass fires is highest during the dry winter months (April-October). This period also coincides with dry, windy conditions in the area.

**Table 4.5: Assessment of impact of increased risk of grass fires**

<b>Nature:</b> Potential loss of livestock, crops and houses, damage to farm infrastructure and threat to human life associated with increased incidence of grass fires		
	<b>Without Mitigation</b>	<b>With Mitigation</b>
<b>Extent</b>	Local (4)	Local (2)
<b>Duration</b>	Short term (2)	short term (2)
<b>Magnitude</b>	Moderate due to reliance on agriculture for maintaining livelihoods (6)	Low (4)
<b>Probability</b>	Probable (3)	Probable (3)
<b>Significance</b>	Medium (36)	Low (24)
<b>Status</b>	Negative	Negative
<b>Reversibility</b>	Yes, compensation paid for stock and crop losses etc.	Yes, compensation paid for stock and crop losses etc.
<b>Irreplaceable loss of resources?</b>	No	No
<b>Can impact be mitigated?</b>	Yes	
<b>Mitigation:</b> See below		
<b>Residual impacts:</b> No, provided losses are compensated for.		

#### Assessment of No-Go option

There is no impact as it maintains the current status quo.

#### Recommended mitigation measures

The mitigation measures include:

- The proponent should prepare a Community Health, Safety and Security Plan (CHSSP) prior to commencement of the construction phase.
- The proponent should enter into an agreement with the local farmers in the area whereby damages to farm property etc., during the construction phase will be compensated for. The agreement should be signed before the construction phase commences.
- The option of establishing a fire-break around the perimeter of the site prior to the commencement of the construction phase should be investigated.

- Contractor should ensure that open fires on the site for cooking or heating are not allowed except in designated areas.
- Smoking on site should be confined to designated areas.
- Contractor to ensure that construction related activities that pose a potential fire risk, such as welding, are effectively managed and are confined to areas where the risk of fires has been reduced. Measures to reduce the risk of fires include avoiding working in high wind conditions when the risk of fires is greater. In this regard special care should be taken during the high risk dry, windy winter months.
- Contractor should provide adequate fire-fighting equipment on-site, including a fire fighting vehicle.
- Contractor to provide fire-fighting training to selected construction staff. No construction staff, with the exception of security staff, to be accommodated on site overnight.
- As per the conditions of the Code of Conduct, in the advent of a fire being caused by construction workers and or construction activities, the appointed contractors must compensate farmers for any damage caused to their farms. The contractor should also compensate the fire-fighting costs borne by farmers and local authorities.

#### **4.3.6 Nuisance impacts associated with construction related activities**

Construction activities on the site, including the movement of heavy construction vehicles, have the potential to create noise, dust, and safety impacts and damage roads, specifically unsurfaced roads. Experience from other projects also indicates that the transportation of construction workers to and from the site can result in the generation of waste along the route (packaging and bottles etc. thrown out of windows etc.). The preparation of the site and associated levelling and clearing of vegetation will expose the soil to wind and result in dust. The dust impacts will be exacerbated during windy periods.

The project components are also likely to be transported to the site via the N1, N12 and N10 which are key transport routes linking Gauteng and the Western and Eastern Cape. The transport of components to the site therefore has the potential to impact on other road users travelling along these roads, including tourists. Measures will need to be taken to ensure that the potential impacts on motorists using the N1, N12 and N10 are minimised. The potential impacts on travelers and tourists can be effectively mitigated by restricting construction traffic movements to weekdays, and, where possible, limiting activities during over holiday periods, specifically Christmas and Easter holiday periods and other long weekends.

Access to the site will be via the existing gravel road that is an extension of Arend Street in De Aar, located to the east of the railway line. Arend Street is accessed via Wentworth Road, which links onto the main road through the centre of De Aar, Voortrekker Road (R388). Voortrekker Road provides access to De Aar of the N10. The movement of heavy construction vehicles along Voortrekker, Wentworth and Arend Street will pose a potential risk to local communities living along these roads, specifically school children walking to and from school and other pedestrians and motorist. Mitigation measures to reduce the risks are outlined below. The movement of heavy construction vehicles will also damage internal farm roads and other unsurfaced public roads that may be used to access the site. The damage will need to be repaired after the completion of the construction phase.

**Table 4.6: Assessment of the impacts associated with construction activities**

<b>Nature:</b> Potential noise, dust and safety impacts associated with construction activities and movement of traffic to and from the site		
	<b>Without Mitigation</b>	<b>With Mitigation</b>
<b>Extent</b>	Local (2)	Local (1)
<b>Duration</b>	Short Term (2)	Short Term (2)
<b>Magnitude</b>	Medium (6)	Minor (2)
<b>Probability</b>	Probable (3)	Probable (3)
<b>Significance</b>	Medium (30)	Low (15)
<b>Status</b>	Negative	Negative
<b>Reversibility</b>	Yes	Yes
<b>Irreplaceable loss of resources?</b>	No	No
<b>Can impact be mitigated?</b>	Yes	
<b>Mitigation:</b> See below		
<b>Residual impacts:</b> If damage to local farm roads is not repaired then this will affect the farming activities in the area and result in higher maintenance costs for vehicles of local farmers and other road users. The costs will be borne by road users who were not responsible for the damage.		

**Assessment of No-Go option**

There is no impact as it maintains the current status quo.

**Recommended mitigation measures**

The potential impacts associated with heavy vehicles can be effectively mitigated. The mitigation measures include:

- The proponent should prepare a Community Health, Safety and Security Plan (CHSSP) prior to commencement of the construction phase.
- As far as possible, the transport of components to the site along the N1, N12 and N10 should be planned to avoid weekends and holiday periods.
- The movement of heavy construction vehicles along Voortrekker, Wentworth and Arend Street should be timed to avoid start and closing times of schools and am and pm peaks.
- The contractor should inform local farmers and representatives from the ELM and relevant provincial road authorities of dates and times when abnormal loads will be undertaken.
- The contractor must ensure that damage caused by construction related traffic to the gravel public roads and local, internal farm roads is repaired on a regular basis throughout the construction phase. The costs associated with the repair must be borne by the contractor.



- Dust suppression measures must be implemented for heavy vehicles such as wetting of gravel roads on a regular basis<sup>18</sup>, adhering to speed limits and ensuring that vehicles used to transport sand and building materials are fitted with tarpaulins or covers.
- All vehicles must be roadworthy, and drivers must be qualified and made aware of the potential road safety issues and need for strict speed limits.
- The Contractor should ensure that workers are informed that no waste can be thrown out of the windows while being transported to and from the site. Workers who throw waste out windows should be fined.
- The Contractor should be required to collect waste along access roads on a weekly basis.
- Waste generated during the construction phase should be transported to the local permitted landfill site.
- EMPr measures (and penalties) should be implemented to ensure farm gates are closed at all times.
- EMPr measures (and penalties) should be implemented to ensure speed limits are adhered to at all times.

#### 4.3.7 Impacts associated with loss of farmland

The activities associated with the construction phase have the potential to result in the loss of land available for grazing. The affected farm owner/s has entered into a lease agreement with the proponent for the use of the land for the proposed SEF. The impact on farm income due to the loss of grazing will therefore be offset by the income from the SEF. The impact of the proposed SEF on the economic potential of the farm will therefore be limited low.

The final disturbance footprint can also be reduced by careful site design and management of operation. This requires a commitment from the proponent and careful monitoring. The impact on farmland associated with the construction phase can therefore be mitigated by minimising the footprint of the construction related activities and ensuring that disturbed areas are fully rehabilitated on completion of the construction phase. Recommended mitigation measures are outlined below.

**Table 4.7: Assessment of impact on farmland due to construction related activities**

<b>Nature:</b> The activities associated with the construction phase, such as establishment of access roads and the construction camp, movement of heavy vehicles and preparation of foundations for the SEF will damage farmlands and result in a loss of farmlands for grazing.		
	<b>Without Mitigation</b>	<b>With Mitigation</b>
<b>Extent</b>	Local (1)	Local (1)
<b>Duration</b>	Long term-permanent if disturbed areas are not effectively rehabilitated (5)	Short term if damaged areas are rehabilitated (2)
<b>Magnitude</b>	Medium (6)	Minor (2)
<b>Probability</b>	Probable (3)	Highly Probable (4)
<b>Significance</b>	Medium (36)	Low (20)
<b>Status</b>	Negative	Negative

<sup>18</sup> Treated effluent (non-potable) water should be used for wetting of roads and construction areas

<b>Reversibility</b>	Yes, disturbed areas can be rehabilitated	Yes, disturbed areas can be rehabilitated
<b>Irreplaceable loss of resources?</b>	Yes, loss of farmland. However, disturbed areas can be rehabilitated	Yes, loss of farmland. However, disturbed areas can be rehabilitated
<b>Can impact be mitigated?</b>	Yes, however, loss of farmland cannot be avoided	
<b>Mitigation:</b> See below		
<b>Residual impacts:</b> Overall loss of farmland could affect the livelihoods of the affected farmers, their families, and the workers on the farms and their families. However, disturbed areas can be rehabilitated.		

### Assessment of No-Go option

There is no impact as it maintains the current status quo.

### Recommended mitigation measures

The potential impacts associated with damage to, and loss of farmland can be effectively mitigated. The aspects that should be covered include:

- Preparation and implementation of a Stakeholder Engagement Plan (SEP) prior to and during the construction phase.
- The site for the proposed SEF should be fenced off prior to commencement of construction activities.
- The footprint associated with the construction related activities (access roads, construction platforms, workshop etc.) should be minimised.
- An Environmental Control Officer (ECO) should be appointed to monitor the establishment phase of the construction phase.
- All areas disturbed by construction related activities, such as access roads on the site, construction platforms, workshop area etc., should be rehabilitated at the end of the construction phase.
- The implementation of a rehabilitation programme should be included in the terms of reference for the contractor/s appointed. The specifications for the rehabilitation programme should be drawn up by the Environmental Consultants appointed to manage the EIA.
- The implementation of the Rehabilitation Programme should be monitored by the ECO.

## 4.4 OPERATIONAL PHASE SOCIAL IMPACTS

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

### Potential positive impacts

- The establishment of infrastructure to improve energy security and support renewable sector.
- Creation of employment opportunities.
- Benefits to the affected landowners.
- Benefits associated with the socio-economic contributions to community development.

### Potential negative impacts

- Visual impacts and associated impacts on sense of place.
- Impact on property values.

- Impact on tourism.

#### **4.4.1 Improve energy security and support the renewable energy sector**

The establishment of renewable energy infrastructure, such as the proposed SEF, should be viewed, firstly within the context of the South Africa's current reliance on coal powered energy to meet the majority of its energy needs, and secondly, within the context of the success of the REIPPPP.

##### ***Impact of a coal powered economy***

The Green Jobs study (2011) notes that South Africa has one of the most carbon-intensive economies in the world, thus making the greening of the electricity mix a national imperative. Within this context the study notes that the green economy could be an extremely important trigger and lever for enhancing a country's growth potential and redirecting its development trajectory in the 21<sup>st</sup> century. The study also identifies a number of advantages associated with wind power as a source of renewable energy with a large 'technical' generation potential. In this regard wind energy does not emit CO<sub>2</sub> in generating electricity and is associated with exceptionally low lifecycle emissions. The construction period for a wind farm is much shorter than that of conventional power stations, while an income stream may in certain instances be provided to local communities through employment and land rental. The study also notes that the GHG associated with the construction phase are offset within a short period of time compared with the project's lifespan. Wind energy therefore provides an ideal means for reaching emission reduction targets in a relatively easy manner. In addition, and of specific relevance to South Africa, wind as energy source is not dependent on water (as compared to the massive water requirements of conventional power stations), has a limited footprint and therefore does not impact on large tracts of land, poses limited pollution and health risks, specifically when compared to coal and nuclear energy plants.

The Greenpeace Report (powering the future: Renewable Energy Roll-out in South Africa, 2013), notes that within a broader context of climate change, coal energy does not only have environmental impacts, it also has socio-economic impacts. Acid mine drainage from abandoned mines in South Africa impacts on water quality and poses the biggest threat to the country's limited water resources. Huge volumes of water are also required to wash coal and cool operating power stations. Eskom uses an estimated 10 000 litres of water per second due to its dependency on coal (Greenpeace, 2012).

The National Climate Change Response White Paper outlines the national response to the impacts of climate change, as well as the domestic contribution to international efforts to mitigate green-house gas emissions. As part of the global commitment, South Africa is targeting an emissions trajectory that peaks at 34% below a "business as usual" case in 2020, 42% below in 2025 and from 2035 declines in absolute terms. The emission reductions between March 2018 and 2019 are estimated to be 10.9 million tonnes of CO<sub>2</sub>. This represents 53% of the total projected annual emission reductions achieved with only partial operation to date. Since operation, the IPPs have generated 35 699 GWh, resulting in 36.2 Mton of CO<sub>2</sub> emissions being offset and saving 42.8 million kilolitres of water related to fossil fuel power generation. The REIPPPP therefore contributes significantly towards meeting South Africa's GHG emission targets and, at the same time, supporting energy security, economic stability and environmental sustainability.

##### ***Benefits associated with REIPPPP***

The overview of the IPPPP (June 2020) indicates that the REIPPPP has attracted R41.8 billion in foreign investment and financing in the seven bid windows (BW1 – BW4, 1S2 and

2S2). This is more than double the inward FDI attracted into South Africa during 2015 (R22.6 billion). In terms of local equity shareholding, 52% (R31.5 billion) of the total equity shareholding (R61.0 billion) was held by South African's across BW1 to BW4, 1S2 and 2S2. This equates to substantially more than the 40% requirement. Foreign equity amounts to R 29.5 billion and contributes 48% to total equity. As far as B-BBEE is concerned, Black South Africans own, on average, 33% of projects that have reached financial close, which is slightly above the 30% target.

The total projected procurement spent for BW1 to BW4, 1S2 and 2S2 during the construction phase was R73.1 billion, while the projected operations procurement spend over the 20 years operational life is estimated at 76.8 billion. The combined (construction and operations) procurement value is projected as R149.9 billion of which R81 billion has been spent to date. For construction, of the R70.2 billion already spent to date, R57.7 billion is from the 68 projects which have already been completed. These 68 projects had planned to spend R52.9 billion. In terms of employment, to date, a total of 52 603 job years<sup>19</sup> have been created for South African citizens, of which 42 355 were in construction and 10 248 in operations. Black South African citizens, youths and rural or local communities have been the major beneficiaries during the construction phases, as they respectively represent 81%, 43% and 49% of total job opportunities created by IPPs to date. These job years should rise further past the planned target as more projects enter the construction phase. The REIPPPP has also ensured that black people in local communities have ownership in the IPP projects that operate in or nearby their vicinities. On average, black local communities own 9% of projects that have reached financial close. This is well above the 5% target. In addition, an average of 21% shareholding by black people in engineering, procurement and construction (EPC) contractors has been attained for the 68 projects in operation (BW1-4). This is higher than the 20% target.

The SED of wind power therefore provides an ideal means for reaching emission reduction targets in a relatively easy manner. In addition, and of specific relevance to South Africa, wind as energy source is not dependent on water (as compared to the massive water requirements of conventional power stations), has a limited footprint and therefore does not impact on large tracts of land, poses limited pollution and health risks, specifically when compared to coal and nuclear energy plants. To date (across seven bid windows) a total contribution of R23.1 billion has been committed to SED initiatives. Assuming an even, annual revenue spread, the average contribution per year would be R1.2 billion. Of the total commitment, R18.8 billion is specifically allocated for local communities where the IPPs operate. With every new IPP on the grid, revenues and the respective SED contributions will increase. The SED contributions associated with the 68 operational IPPs has to date amounted to R 1.2 billion. In terms of allocation, education, social welfare, and health care have been the main focus of SED initiatives.

The WWF (2014) study also notes that the REIPPPP requirement of 30% allocated to the local economic development has ensured that non-price criteria linked to socio-economic upliftment have a much heavier weighting than they would normally enjoy under Government's preferential procurement policy (WWF, 2014). The establishment of renewable energy facilities, such as the proposed WEF, therefore not only address the environmental issues associated with climate change and consumption of scarce water resources, but also creates significant socio-economic opportunities and benefits, specifically for historically disadvantaged, rural communities.

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<sup>19</sup> The equivalent of a full-time employment opportunity for one person for one year

**Table 4.8: Implementation of clean, renewable energy infrastructure**

<b>Nature:</b> Development of infrastructure to generate clean, renewable energy		
	<b>Without Mitigation</b>	<b>With Mitigation</b>
<b>Extent</b>	Local, Regional and National (4)	Local, Regional and National (5)
<b>Duration</b>	Long term (4)	Long term (4)
<b>Magnitude</b>	High (8)	High (8)
<b>Probability</b>	Highly Probable (4)	Definite (5)
<b>Significance</b>	High (64)	High (85)
<b>Status</b>	Positive	Positive
<b>Reversibility</b>	Yes	
<b>Irreplaceable loss of resources?</b>	Yes, impact of climate change on ecosystems	Reduced CO <sub>2</sub> emissions and impact on climate change
<b>Can impact be mitigated?</b>	Yes	
<b>Enhancement:</b> See below		
<b>Residual impacts:</b> Overall reduction in CO <sub>2</sub> emission, reduction in water consumption for energy generation, contribution to establishing an economically viable commercial renewables generation sector in the Northern Cape and South Africa.		

#### **Assessment of No-Go option**

The No-Development option would represent a lost opportunity for South Africa to supplement its current energy needs with clean, renewable energy.

#### **Recommended mitigation measures**

Should the project be approved the proponent should:

- Implement a skills development and training programme aimed at maximising the number of employment opportunities for local community members.
- Maximise opportunities for local content, procurement, and community shareholding.

#### **4.4.2 Creation of employment opportunities**

The proposed SEF would create ~ 20 permanent employment opportunities for over a 20 year period. Additional temporary employment opportunities will also be created, linked to maintenance and cleaning of solar panels etc. Most of the employment opportunities associated with the operational phase is likely to benefit HD members of the community. However, given that the solar energy sector in South Africa is relatively new, several the skilled positions may need to be filled by people from other parts of South Africa.

It will also be possible to increase the number of local employment opportunities through the implementation of a skills development and training programme linked to the operational phase. Such a programme would support the strategic goals of promoting local employment and skills development contained in the ELM IDP.

The potential employment benefits are confirmed by the findings of the Overview of the IPPPP undertaken by the Department of Energy, National Treasury and DBSA (June 2020). To date, a total of 52 603 job years<sup>20</sup> have been created for South African citizens, of which 42 355 were in construction and 10 248 in operations. The Green Jobs study (2011) also found that energy generation is expected to become an increasingly important contributor to green job creation over time, as projects are constructed or commissioned. The study notes that largest gains are likely to be associated with O&M activities. In this regard, O&M employment linked to renewable energy generation plants will also be substantial in the longer term.

Given the location of the proposed facility most of permanent staff is likely to reside in De Aar. In terms of accommodation options, a percentage of the non-local permanent employees may purchase houses, while others may decide to rent. Both options would represent a positive economic benefit for the region. A percentage of the monthly wage bill earned by permanent staff will be spent in the regional and local economy. This will benefit local businesses in the relevant towns. The benefits to the local economy will extend over the anticipated 20-year operational lifespan of the project. The local hospitality industry is also likely to benefit from the operational phase. These benefits are associated with site visits by company staff members and other professionals (engineers, technicians etc.) who are involved in the company and the project but who are not linked to the day-to-day operations.

**Table 4.9: Impact assessment of employment and business creation opportunities**

<b>Nature:</b> Creation of employment and business opportunities associated with the operational phase		
	<b>Without Mitigation</b>	<b>With Enhancement</b>
<b>Extent</b>	Local and Regional (1)	Local and Regional (2)
<b>Duration</b>	Long term (4)	Long term (4)
<b>Magnitude</b>	Low (4)	Low (4)
<b>Probability</b>	Probable (3)	Definite (5)
<b>Significance</b>	Low (27)	Medium (50)
<b>Status</b>	Positive	Positive
<b>Reversibility</b>	N/A	N/A
<b>Irreplaceable loss of resources?</b>	No	No
<b>Can impact be enhanced?</b>	Yes	
<b>Enhancement:</b> See below		
<b>Residual impacts:</b> Creation of permanent employment and skills and development opportunities for members from the local community and creation of additional business and economic opportunities in the area		

<sup>20</sup> The equivalent of a full-time employment opportunity for one person for one year

### Assessment of No-Go option

There is no impact as it maintains the current status quo. However, the potential opportunity costs in terms of the loss of employment and skills and development training would be lost.

### Recommended enhancement measures

The enhancement measures listed in Section 4.4.1, i.e. to enhance local employment and business opportunities during the construction phase, also apply to the operational phase.

#### 4.4.3 Generate income for affected landowner/s

The proponent has entered into rental agreements with the affected landowner for the use of the land for the establishment of the proposed SEF. The additional income will reduce the risk to his livelihoods posed by droughts and fluctuating market prices for livestock and farming inputs, such as fuel, feed etc. This represents a significant benefit for the affected landowner.

**Table 4.10: Assessment of benefits associated with income generated for the affected farmer**

<b>Nature:</b> The generation of additional income represents a significant benefit for the local affected farmer(s) and reduces the risks to their livelihoods posed by droughts and fluctuating market prices for sheep and farming inputs, such as feed etc.		
	<b>Without Mitigation</b>	<b>With Enhancement</b>
<b>Extent</b>	Local (1)	Local (3)
<b>Duration</b>	Long term (4)	Long term (4)
<b>Intensity</b>	Low (4)	Moderate (6)
<b>Likelihood</b>	Probable (3)	Definite (5)
<b>Significance</b>	Low (27)	Medium (53)
<b>Status</b>	Positive	Positive
<b>Reversibility</b>	Yes	Yes
<b>Can impact be enhanced?</b>	Yes	
<b>Enhancement:</b> See below		
<b>Residual impacts:</b> Support for local agricultural sector and farming		

### Assessment of No-Go option

There is no impact as it maintains the current status quo.

### Recommended enhancement measures

Implement agreements with affected landowner.

#### 4.4.4 Benefits associated with the socio-economic development contributions

An important focus of the REIPPPP is to ensure that the build programme secures sustainable value for the country and enables local communities to benefit directly from the investments attracted into the area. In this regard IPPs are required to contribute a

percentage of projected revenues accrued over the 20-year project operational life toward SED initiatives. These contributions are linked to Community Trusts and accrue over the 20-year project operation life and are used to invest in housing and infrastructure as well as healthcare, education, and skills development.

Community Trusts provide an opportunity to generate a steady revenue stream that is guaranteed for a 20-year period. This revenue can be used to fund development initiatives in the area and support the local community. The long-term duration of the revenue stream also allows local municipalities and communities to undertake long term planning for the area. The revenue from the proposed SEF can be used to support a number of social and economic initiatives in the area, including:

- Creation of jobs.
- Education.
- Support for and provision of basic services.
- School feeding schemes.
- Training and skills development.
- Support for SMME's.

### ***Socio-Economic Development contributions***

SED contributions represent an important focus of the REIPPPP and is aimed at ensuring that the build programme secures sustainable value for the country and enables local communities to benefit directly from the investments attracted into the area. In this regard IPPs are required to contribute a percentage of projected revenues accrued over the 20-year project operational life toward SED initiatives. These contributions accrue over the 20-year project operation life and are used to invest in housing and infrastructure as well as healthcare, education, and skills development.

The SED contributions associated with the 68 IPPs has to date amounted to R 1,2 billion, with a total contribution of R23.1 billion (across seven bid windows) committed to SED initiatives. Assuming an even, annual revenue spread, the average contribution per year would be R1.2 billion. Of the total commitment, R18.8 billion is specifically allocated for local communities where the IPPs operate. With every new IPP on the grid, revenues and the respective SED contributions will increase.

### ***Enterprise development contributions***

The target for IPPs to spend on enterprise development is 0.6% of revenues over the 20-year project operational life. Enterprise development contributions committed for BW1 to BW4, 1S2 and 2S2 amount to R7.2 billion. Of the total commitment, R5.6 billion is specifically committed directly within the local communities where the IPPs operate, contributing significantly to local enterprise development. Up until the end of June 2020 a total of R 384.2 million had already been made to the local communities located in the vicinity of the 68 operating IPPs.

The Green Jobs study (2011) found that the case for renewable energy is enhanced by the positive effect on rural or regional development. Renewable energy projects located in rural areas create an opportunity to benefit the local and regional economy through the creation of jobs and tax revenues. The findings of the thesis by Tait (2012) also note that the distributed nature of renewable energy generation can induce a more geographically dispersed pattern of development. As a result, renewable energy sites can be highly suited to rural locations with otherwise poor potential to attract local inward investment thus able to target particularly vulnerable areas. In her conclusion Tait notes that her thesis found positive evidence for the establishment of community benefit schemes in the wind sector in



South Africa. The B-BBEE requirements for developers as set out in the DoE’s IPPPP for renewables was the primary driver for such schemes. The procurement programme, in keeping with the objective of maximising the economic development potential from this new sector, includes a specific focus on local communities in which wind farms are located.

Based on the findings of the review it is clear that the establishment of Community Trusts associated with renewable energy projects create significant benefits for local rural communities. In addition to the benefits for local communities, the establishment of a WEF has a limited impact on the current agricultural land uses that underpin the local economic activities in the area and consumes negligible volumes of water during the operational phase. Based on the findings of the review it is clear that the establishment of Community Trusts associated with renewable energy projects have the potential to create significant benefits for local rural communities. However, Community Trusts can also be mismanaged. This is an issue that will need to be addressed when setting up the Trust. In addition, the establishment of a SEF is not likely to have a significant impact on the current agricultural land uses that underpin the local economic activities in the area.

**Table 4.11: Assessment of benefits associated with establishment of community trust**

<b>Nature:</b> Establishment of a community trust funded by revenue generated from the sale of energy. The revenue can be used to fund local community development		
	<b>Without Mitigation</b>	<b>With Enhancement<sup>21</sup></b>
<b>Extent</b>	Local and Regional (2)	Local and Regional (3)
<b>Duration</b>	Long term (4)	Long term (4)
<b>Intensity</b>	Low (4)	Moderate (6)
<b>Likelihood</b>	Probable (3)	Definite (5)
<b>Significance</b>	Medium (30)	High (65)
<b>Status</b>	Positive	Positive
<b>Reversibility</b>	Yes	Yes
<b>Can impact be enhanced?</b>	Yes	
<b>Enhancement:</b> See below		
<b>Residual impacts:</b> Promotion of social and economic development and improvement in the overall well-being of the community		

**Assessment of No-Go option**

There is no impact as it maintains the current status quo. However, the potential opportunity costs in terms of the supporting the social and economic development in the area would be lost. This would also represent a negative impact.

**Recommended enhancement measures**

In order to maximise the benefits and minimise the potential for corruption and misappropriation of funds the following measures should be implemented:

<sup>21</sup> Enhancement assumes effective management of the community trust

- The ELM should liaise with the proponents of other renewable energy projects in the area to investigate how best the Community Trusts can be established and managed so as to promote and support local, socio-economic development in the region as a whole.
- The ELM should be consulted as to the structure and identification of potential trustees to sit on the Trust. The key departments in the ELM that should be consulted include the Municipal Managers Office, IDP Manager and LED Manager.
- Clear criteria for identifying and funding community projects and initiatives in the area should be identified. The criteria should be aimed at maximising the benefits for the community as a whole and not individuals within the community.
- Strict financial management controls, including annual audits, should be instituted to manage the funds generated for the Community Trust from the SEF plant.

#### **4.4.5 Visual impact and impact on sense of place**

The proposed PV SEF has the potential to impact on the areas existing rural sense of place. The findings of the Scoping VIA (Logis, March 2022) indicate that the potential visual impacts will be associated with observers in close proximity to the proposed PV facility infrastructure and activities. Potential sensitive visual receptors include:

- Residents of homesteads and farm dwellings (in closer proximity to the facility).
- Observers travelling along the secondary roads traversing near the proposed developments.

The findings of the Scoping Level VIA indicate that the significance of the potential negative experience of viewing the infrastructure and activities within a predominantly undeveloped setting would be Medium to High Negative. This impact would be primarily for observers situated within a 3km radius of the facility.

The findings of the final VIA were not available at the time of preparing the SIA. However, based on other PV SEF projects located in the De Aar area the visual impacts are highly unlikely to be considered as fatal flaws for a development of this nature particularly due to the low density of visual receptors and existing energy related infrastructure in the area.

**Table 4.12: Visual impact and impact on sense of place**

<b>Nature:</b> Visual impact associated with the proposed solar facility and the potential impact on the area's rural sense of place and adjacent land uses.		
	<b>Without Mitigation</b>	<b>With Mitigation</b>
<b>Extent</b>	Local (1)	Local (1)
<b>Duration</b>	Long term (4)	Long term (4)
<b>Magnitude</b>	Moderate (6)	Moderate (6)
<b>Probability</b>	Probable (3)	Probable (3)
<b>Significance</b>	Medium (33)	Medium (33)
<b>Status</b>	Negative	Negative
<b>Reversibility</b>	Yes, solar facility can be removed.	
<b>Irreplaceable loss of resources?</b>	No	No
<b>Can impact be mitigated?</b>	Yes	
<b>Mitigation:</b> See below		
<b>Residual impacts:</b> Support for local agricultural sector and farming		

**Assessment of No-Go option**

There is no impact as it maintains the current status quo.

**Recommended mitigation measures**

The recommendations contained in the Final VIA should also be implemented.

**4.4.6 Potential impact on property values**

The potential visual impacts associated with the proposed REF have the potential to impact on property values. Based on the results of a literature review undertaken for wind farms the potential impact on property values in rural areas is likely to be limited. In this regard a study undertaken in Australia in 2016 (Urbis Pty Ltd) found that:

- Appropriately located wind farms within rural areas, removed from higher density residential areas, are unlikely to have a measurable negative impact on surrounding land values.
- There is limited available sales data to make a conclusive finding relating to value impacts on residential or lifestyle properties located close to wind farm turbines, noting that wind farms in NSW have been constructed in predominantly rural areas.

The impact of SEFs on property values is likely to be lower than the impact of WEFs due to the reduced visual impact. The Impact of the proposed SEF on property values is therefore likely to be low.

**Table 4.13: Potential impact on tourism**

<b>Nature:</b> Potential impact of the SEF on property values		
	<b>Without Mitigation</b>	<b>With Mitigation</b>
<b>Extent</b>	Local (1)	Local (1)
<b>Duration</b>	Long term (4)	Long term (4)
<b>Magnitude</b>	Minor (2)	Minor (2)
<b>Probability</b>	Probable (3)	Probable (3)
<b>Significance</b>	Low (21)	Low (21)
<b>Status</b>	Negative	Negative
<b>Reversibility</b>	Yes, solar facility can be removed.	
<b>Irreplaceable loss of resources?</b>	No	No
<b>Can impact be mitigated?</b>	Yes	
<b>Enhancement:</b>	See below	
<b>Residual impacts:</b>	Potential impact on current rural sense of place and associated property values.	

**Assessment of No-Go option**

There is no impact as it maintains the current status quo.

**Recommended mitigation measures**

The recommendations contained in the Final VIA should be implemented.

**4.4.7 Potential impact on tourism**

The potential visual impacts associated with the proposed REF have the potential to impact on tourism facilities and tourism in the area. Based on the findings of the literature review there is limited evidence to suggest that the proposed SEF would impact on the tourism in the PKSDM and ELM at a local and regional level. The areas sense of place has also been altered by the existing transmission lines that traverse the area.

**Table 4.14: Potential impact on tourism**

<b>Nature:</b> Potential impact of the SEF on local tourism operations and visitors. The impact will be linked to the potential visual impacts and the perception of people visiting the area.		
	<b>Without Mitigation</b>	<b>With Enhancement / Mitigation</b>
<b>Extent</b>	Local (2)	Local (1)
<b>Duration</b>	Long term (4)	Long term (4)
<b>Magnitude</b>	Low (4)	Minor (2)
<b>Probability</b>	Probable (3)	Probable (3)
<b>Significance</b>	Medium (30)	Low (24)
<b>Status</b>	Negative	Negative
<b>Reversibility</b>	Yes, solar facility can be removed.	
<b>Irreplaceable loss of resources?</b>	No	No
<b>Can impact be mitigated?</b>	Yes	
<b>Enhancement:</b> See below		
<b>Residual impacts:</b> Potential impact on current rural sense of place.		

**Assessment of No-Go option**

There is no impact as it maintains the current status quo.

**Recommended mitigation measures**

The recommendations contained in the Final VIA should be implemented.

**4.5 ASSESSMENT OF DECOMMISSIONING PHASE**

Typically, the major social impacts associated with the decommissioning phase are linked to the loss of jobs and associated income. This has implications for the households who are directly affected, the communities within which they live, and the relevant local authorities. However, in the case of the proposed facility the decommissioning phase is likely to involve the disassembly and replacement of the existing components with more modern technology. This is likely to take place in the 20 - 25 years post commissioning. The decommissioning phase is therefore likely to create additional, construction type jobs, as opposed to the jobs losses typically associated with decommissioning.

Given the relatively small number of people employed during the operational phase (~ 20), the social impacts at a community level associated with decommissioning will be limited. In addition, potential impacts associated with the decommissioning phase can be effectively managed with the implementation of a retrenchment and downscaling programme. With mitigation, the impacts are assessed to be Low (negative).

**Table 4.15: Social impacts associated with decommissioning**

<b>Nature:</b> Social impacts associated with retrenchment including loss of jobs, and source of income		
	<b>Without Mitigation</b>	<b>With Mitigation</b>
<b>Extent</b>	Local and regional (2)	Local and regional (1)
<b>Duration</b>	Medium Term (2)	Very Short Term (1)
<b>Magnitude</b>	Moderate (6)	Low (4)
<b>Probability</b>	Highly Probable (4)	Highly Probable (4)
<b>Significance</b>	Medium (40)	Low (24)
<b>Status</b>	Negative	Negative
<b>Reversibility</b>	Yes, assumes retrenchment packages are paid to all affected employees	
<b>Irreplaceable loss of resources?</b>	No	No
<b>Can impact be mitigated?</b>	Yes	
<b>Mitigation:</b> See below		
<b>Residual impacts:</b> Loss of jobs and associated loss of income etc. can impact on the local economy and other businesses. However, decommissioning can also create short term, temporary employment opportunities associated with dismantling etc.		

### Recommended mitigation measures

The following mitigation measures are recommended:

- The proponent should ensure that retrenchment packages are provided for all staff retrenched when the plant is decommissioned.
- All structures and infrastructure associated with the proposed facility should be dismantled and transported off-site on decommissioning.
- Revenue generated from the sale of scrap metal during decommissioning should be allocated to funding closure and rehabilitation of disturbed areas.

### 4.6 CUMULATIVE IMPACT ON SENSE OF PLACE

Although there appear to be no guidelines for solar facilities, the Australian Wind Farm Development Guidelines (Draft, July 2010) indicate that the cumulative impact of multiple wind farm facilities is likely to become an increasingly important issue for wind farm developments in Australia. This finding is also likely to apply to SEFs and is also likely to be the case in South Africa. The key concerns in terms of cumulative impacts are, as in the case of wind farms, also likely to be linked to visual impacts and the impact on rural, undeveloped landscapes. The Scottish Natural Heritage (2005) describes a range of potential cumulative landscape impacts associated with wind farms on landscapes. These issues raised in these guidelines as to what defines a cumulative impact are also regarded as pertinent to solar facilities, specifically given that the key issue of concern is likely to relate to the impact on rural, undeveloped landscapes. The relevant issues identified by Scottish Natural Heritage study include:

- Combined visibility (whether two or more wind farms (solar facilities) will be visible from one location).
- Sequential visibility (e.g., the effect of seeing two or more wind farms (solar facilities) along a single journey, e.g., road or walking trail).
- The visual compatibility of different wind farms (solar facilities) in the same vicinity.
- Perceived or actual change in land use across a character type or region.
- Loss of a characteristic element (e.g., viewing type or feature) across a character type caused by developments across that character type.

The guidelines also note that cumulative impacts need to be considered in relation to dynamic as well as static viewpoints. The experience of driving along a tourist road, for example, needs to be considered as a dynamic sequence of views and visual impacts, not just as the cumulative impact of several developments on one location. The viewer may only see one wind farm (solar facility) at a time, but if each successive stretch of the road is dominated by views of a wind farm (solar facility), then that can be argued to be a cumulative visual impact (National Wind Farm Development Guidelines, DRAFT - July 2010). It is reasonable to assume that these issues will also apply to PVSEFs.

As indicated in Figure 3.6, there are a number of renewable energy facilities located in the vicinity of De Aar, specifically in the area to the north east of the town. The Pixley Park PV Cluster involves the development of four SEFs. The potential for cumulative impacts associated with combined visibility (whether two or more solar facilities will be visible from one location) and sequential visibility (e.g., the effect of seeing two or more solar facilities along a single journey therefore exists. However, the site is relatively remote and the renewable energy facilities are largely concentrated in the area to the northeast of De Aar. While this does not necessarily reduce the cumulative visual impact on the areas sense of place, it does assist to confine the impact to a relatively concentrated area.

**Table 4.16: Cumulative impacts on sense of place and the landscape**

<b>Nature:</b> Visual impacts associated with the establishment of more than one SEF and the potential impact on the area's rural sense of place and character of the landscape.		
	<b>Overall impact of the proposed project considered in isolation</b>	<b>Cumulative impact of the project and other projects in the area</b>
<b>Extent</b>	Local (1)	Local and regional (2)
<b>Duration</b>	Long term (4)	Long term (4)
<b>Magnitude</b>	Low (4)	Low (4)
<b>Probability</b>	Probable (3)	Probable (3)
<b>Significance</b>	Low (27)	Medium (30)
<b>Status (positive/negative)</b>	Negative	Negative
<b>Reversibility</b>	Yes. Solar energy plant components and other infrastructure can be removed.	
<b>Loss of resources?</b>	No	No
<b>Can impacts be mitigated?</b>	Yes	
<b>Confidence in findings:</b> High.		
Mitigation: See below		

### **Assessment of No-Go option**

There is no impact as it maintains the current status quo.

### **Recommended mitigation measures**

The recommendations of the VIA should be implemented.

## **4.7 CUMULATIVE IMPACT ON LOCAL SERVICES AND ACCOMMODATION**

The establishment of the proposed SEF and the other renewable energy facilities in the ELM has the potential to place pressure on local services in nearby towns, specifically De Aar. Services affected include medical, education and accommodation. This pressure will be associated with the influx of workers to the area associated with the construction phases, and to a lesser extent, the operational phases. The potential impact on local services can be mitigated by employing local community members. However, due to the low education and skills levels in the area there is likely to be a need to implement a training and skills development programme to ensure that local employment opportunities are maximised, specifically during the construction phase. The presence of non-local workers during both the construction and operation phase may also place pressure on property prices and rentals. As a result, local residents, such as government officials, such as municipal workers, school teachers, and the police, may no longer be able to buy or afford to rent accommodation in De Aar and other towns in the ELM.

However, as indicated below, this impact should also be viewed within the context of the potential positive cumulative impacts for the local economy associated with the establishment of a renewable projects in the area. These benefits will create opportunities for investment in the ELM, including the opportunity to up-grade and expand existing services.

The Community Trusts associated with each project will generate revenue that can be used by the ELM, in consultation with the Northern Cape Provincial Government, to invest in up-grading local services where required. It should also be noted that it is the function of national, provincial, and local government to address the needs created by economic development and provide the required services. The additional demand for services and accommodation created by the establishment of development renewable energy projects should therefore be addressed in the Integrated Development Planning process undertaken by the ELM.



**Table 4.17: Cumulative impacts on local services**

<b>Nature:</b> The establishment of a number of renewable energy facilities in the ELM has the potential to place pressure on local services, specifically medical, education and accommodation		
	<b>Overall impact of the proposed project considered in isolation</b>	<b>Cumulative impact of the project and other projects in the area</b>
<b>Extent</b>	Local (1)	Local and regional (2)
<b>Duration</b>	Long term (4)	Long term (4)
<b>Magnitude</b>	Low (4)	Low (4)
<b>Probability</b>	Probable (3)	Probable (3)
<b>Significance</b>	Low (27)	Medium (30)
<b>Status (positive/negative)</b>	Negative	Negative
<b>Reversibility</b>	Yes. Solar energy plant components and other infrastructure can be removed.	
<b>Loss of resources?</b>	No	No
<b>Can impacts be mitigated?</b>	Yes	
<b>Confidence in findings:</b> High.		
<b>Mitigation:</b> See below		

**Comment on No-Go option**

There is no impact as it maintains the current status quo.

**Recommended mitigation measures**

The Northern Cape Provincial Government, in consultation with the ELM and the proponents involved in the development of renewable energy projects in the ELM, should consider establishing a Development Forum to co-ordinate and manage the development and operation of renewable energy projects in the area with the specific aim of mitigating potential negative impacts and enhancing opportunities. This would include identifying key needs, including capacity of existing services, accommodation and housing and the implementation of an accredited training and skills development programmes aimed at maximising the opportunities for local workers to be employed during the construction and operational phases of the various proposed projects. These issues should be addressed in the Integrated Development Planning process undertaken by the ELM.

**4.8 CUMULATIVE IMPACT ON LOCAL ECONOMY**

In addition to the potential negative impacts, the proposed SEF also has the potential to create significant positive cumulative impacts. In this regard the establishment of a number of SEFs in the area will create socio-economic opportunities for the ELM, which, in turn, will result in positive social benefits. The positive cumulative impacts include the creation of employment, skills development and training opportunities, and downstream business opportunities.

The Overview of the REIPPP (2020) confirms the benefits associated with renewable energy projects for local and regional economies. In this regard R 1.2 billion has been generated by socio-economic development contributions associated with the 68 operational IPPs. IPPs

have supported 1 123 education institutions with a total of R312 million in contributions, from 2015 to the end of June 2020. A total of 1 142 bursaries, amounting to R183.8 million, have been awarded by 55 IPPs from 2015 until the end of June 2020. The largest portion of the bursaries were awarded to African and Coloured students (97%), with women and girls receiving 56% of total bursaries. The Northern Cape province benefitted most from the bursaries awarded, with 61%, followed by the Eastern Cape (18%) and Western Cape (14%). Enterprise development and social welfare are the focus areas that have received the second highest share of the contributions to date. In addition, enterprise development contributions committed for BW1 to BW4, 1S2 and 2S2 amount to R7.2 billion. Assuming an equal distribution of revenue over the 20-year project operational life, enterprise development contributions would be R360 million per annum. Of the total commitment, R5.6 billion is specifically committed directly within the local communities where the IPPs operate, contributing significantly to local enterprise development. Up until the end of June 2020 a total of R 384.2 million had already been made to the local communities located in the vicinity of the 68 operating IPPs.

The potential cumulative benefits for the local and regional economy are therefore associated with both the construction and operational phase of renewable energy projects and extend over a period of 20-25 years.

**Table 4.18: Cumulative impacts on local economy**

<b>Nature:</b> The establishment of a number of solar energy facilities in the ELM will create employment, skills development and training opportunities, creation of downstream business opportunities.		
	<b>Overall impact of the proposed project considered in isolation</b>	<b>Cumulative impact of the project and other projects in the area</b>
<b>Extent</b>	Local (1)	Local and regional (2)
<b>Duration</b>	Long term (4)	Long term (4)
<b>Magnitude</b>	Low (4)	Moderate (6)
<b>Probability</b>	Probable (3)	Definite (5)
<b>Significance</b>	Low (27)	High (60)
<b>Status (positive/negative)</b>	Positive	Positive
<b>Reversibility</b>	Yes. Solar energy plant components and other infrastructure can be removed.	
<b>Loss of resources?</b>	No	No
<b>Can impacts be mitigated?</b>	Yes	
<b>Confidence in findings:</b> High.		
<b>Enhancement:</b> See below		

#### **Assessment of No-Go option**

There is no impact as it maintains the current status quo. This would represent a lost socio-economic opportunity for the ELM.

#### **Recommended mitigation measures**

The proposed establishment of suitably sited renewable energy facilities within the ELM should be supported.

## 4.9 ASSESSMENT OF NO-DEVELOPMENT OPTION

As indicated above, South Africa currently relies on coal-powered energy to meet more than 90% of its energy needs. As a result, South Africa is one of the highest per capita producers of carbon emissions in the world and Eskom, as an energy utility, has been identified as the world's second largest producer carbon emissions. The No-Development option would represent a lost opportunity for South Africa to supplement its current energy needs with clean, renewable energy. Given South Africa's position as one of the highest per capita producers of carbon emissions in the world, this would represent a High negative social cost. However, at a provincial and national level, it should be noted that the proposed SEF development proposal is not unique. In that regard, a significant number of other renewable energy developments are currently proposed in the Northern Cape Province and other parts of South Africa. Foregoing the proposed SEF development would therefore not necessarily compromise the development of renewable energy facilities in the Northern Cape and or South Africa. However, the socio-economic benefits for the ELM would be forfeited.

**Table 4.19: Assessment of no-development option**

<b>Nature:</b> The no-development option would result in the lost opportunity for South Africa to supplement its current energy needs with clean, renewable energy		
	<b>Without Mitigation</b>	<b>With Mitigation<sup>22</sup></b>
<b>Extent</b>	Local-International (4)	Local-International (4)
<b>Duration</b>	Long term (4)	Long term (4)
<b>Magnitude</b>	Moderate (6)	Moderate (6)
<b>Probability</b>	Highly Probable (4)	Highly Probable (4)
<b>Significance</b>	Moderate (56)	Moderate (56)
<b>Status</b>	Negative	Positive
<b>Reversibility</b>	Yes	
<b>Irreplaceable loss of resources?</b>	N/A	N/A
<b>Can impact be mitigated?</b>	Yes	
<b>Enhancement:</b> See below		
<b>Residual impacts:</b> Reduce carbon emissions via the use of renewable energy and associated benefits in terms of global warming and climate change.		

### Recommended enhancement measures

The proposed facility should be developed, and the mitigation and enhancement measures identified in the SIA and other specialist studies should be implemented. However, the impact of large solar facilities on the sense of place and landscape are issues that need to be addressed in the location, design, and layout of the proposed facility.

<sup>22</sup> Assumes establishment of a Community Trust

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## SECTION 5: KEY FINDINGS AND RECOMMENDATIONS

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### 5.1 INTRODUCTION

Section 5 lists the key findings of the study and recommendations. These findings are based on:

- A review of the issues identified during the Scoping Process.
- A review of key planning and policy documents pertaining to the area.
- Site visit and semi-structured interviews with interested and affected parties.
- A review of social and economic issues associated with similar developments.
- The experience of the authors with other solar energy projects in South Africa.

### 5.2 SUMMARY OF KEY FINDINGS

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

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

#### 5.2.1 Policy and planning issues

The development of renewable energy is strongly supported at a national, provincial, and local level. The development of and investment in renewable energy is supported by the National Development Plan (NDP), New Growth Path Framework and National Infrastructure Plan, which all refer to and support renewable energy. The PKSDM SDF and IDP and ELM IDP also support the development of renewable energy. The development of the proposed REF is therefore supported by key policy and planning documents.

#### 5.2.2 Construction phase impacts

The key social issues associated with the construction phase include:

##### Potential positive impacts

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

The construction phase is expected to extend over a period of ~18 months and create approximately 250 employment opportunities. The total wage bill for the construction phase is estimated to be in the region of R 40 million (2022 Rand value). The majority of the employment opportunities, specifically the low and semi-skilled opportunities, are likely to

be available to local residents in the area, specifically residents from De Aar. The majority of the beneficiaries are likely to be historically disadvantaged (HD) members from the community. This would represent a significant positive social benefit in an area with limited employment opportunities. However, in the absence of specific commitments from the developer to employ local contractors the potential for meaningful skills to local employment targets the benefits for members from the local communities may be limited. In addition, the low education and skills levels in the area may also hamper potential opportunities for local communities.

The potential benefits for local communities are confirmed by the findings of the Overview of the IPPPP undertaken by the Department of Energy, National Treasury and DBSA (June 2020). The review found that by the end of June 2020 the construction phase of the 68 renewable energy projects that had been successfully completed had created 33 449 job years<sup>23</sup> of employment, compared to the anticipated 23 619. This was 42% more than planned. The study also found that significantly more people from local communities were employed during construction than was initially planned.

The capital expenditure associated with the construction phase will be in the region of R 1-1.5 billion (2022 Rand value). A percentage of the wage bill will also be spent in the local economy which will create opportunities for local businesses in De Aar. The sector of the local economy that is most likely to benefit from the proposed development is the local service industry. The potential opportunities for the local service sector would be linked to accommodation, catering, cleaning, transport, and security, etc. associated with the construction workers on the site.

#### **Potential negative impacts**

- Impacts associated with the presence of construction workers on local communities.
- Impacts related to the potential influx of job seekers.
- Increased risks to livestock and farming infrastructure associated with the construction related activities and presence of construction workers on the site.
- Increased risk of grass fires associated with construction related activities.
- Noise, dust, and safety impacts of construction related activities and vehicles.
- Impact on productive farmland.

The findings of the SIA indicate that the significance of all the potential negative impacts with mitigation were **Low Negative**. The potential negative impacts can therefore be effectively mitigated if the recommended mitigation measures are implemented. Table 5.1 summarises the significance of the impacts associated with the construction phase.

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<sup>23</sup> The equivalent of a full-time employment opportunity for one person for one year

**Table 5.1: Summary of social impacts during construction phase**

<b>Impact</b>	<b>Significance No Mitigation / Enhancement</b>	<b>Significance With Mitigation / Enhancement</b>
<b>Creation of employment and business opportunities</b>	Medium (+)	Medium (+)
<b>Presence of construction workers and potential impacts on family structures and social networks</b>	Medium (-)	Low (-)
<b>Influx of job seekers</b>	Low (-)	Low (-)
<b>Safety risk, stock theft and damage to farm infrastructure associated with presence of construction workers</b>	Medium (-)	Low (-)
<b>Increased risk of veld fires</b>	Medium (-)	Low (-)
<b>Impact of construction activities and vehicles</b>	Medium (-)	Low (-)
<b>Loss of farmland</b>	Medium (-)	Low (-)

### **5.2.3 Operational phase impacts**

#### **Potential positive impacts**

- The establishment of infrastructure to generate renewable energy.
- Creation of employment and business opportunities. The operational phase will also create opportunities for skills development and training.
- Benefits associated with the establishment of a Community Trust.
- Generation of income for affected landowner/s.

#### ***Development of renewable energy infrastructure***

The establishment of renewable energy infrastructure, such as the proposed SEF, should be viewed, firstly within the context of the South Africa's current reliance on coal powered energy to meet the majority of its energy needs, and secondly, within the context of the success of the REIPPPP.

The Green Jobs study (2011) notes that South Africa has one of the most carbon-intensive economies in the world, thus making the greening of the electricity mix a national imperative. The Greenpeace Report (Powering the future: Renewable Energy Roll-out in South Africa, 2013), notes that within a broader context of climate change, coal energy does not only have environmental impacts, but it also has socio-economic impacts. Acid mine drainage from abandoned mines in South Africa impacts on water quality and poses the biggest threat to the country's limited water resources. Huge volumes of water are also required to wash coal and cool operating power stations.

The National Climate Change Response White Paper outlines the national response to the impacts of climate change, as well as the domestic contribution to international efforts to mitigate green-house gas emissions. As part of the global commitment, South Africa is targeting an emissions trajectory that peaks at 34% below a "business as usual" case in 2020, 42% below in 2025 and from 2035 declines in absolute terms. The emission reductions between March 2018 and 2019 are estimated to be 10.9 million tonnes of CO<sub>2</sub>. This represents 53% of the total projected annual emission reductions achieved with only partial operation to date. Since operation, the IPPs have generated 35 699 GWh, resulting in

36.2 Mton of CO<sub>2</sub> emissions being offset and saving 42.8 million kilolitres of water related to fossil fuel power generation.

The REIPPPP had therefore contributed significantly towards meeting South Africa's GHG emission targets and, at the same time, supporting energy security, economic stability, and environmental sustainability. The establishment of renewable energy facilities, such as the proposed SEF, therefore, not only address the environmental issues associated with climate change and consumption of scarce water resources, but also creates significant socio-economic opportunities and benefits, specifically for historically disadvantaged, rural communities.

### ***Creation of employment and business opportunities***

The total number of permanent employment opportunities would be ~ 20. The majority of low and semi-skilled beneficiaries are likely to be HD members of the community. Given the location of the proposed facility the majority of permanent staff is likely to reside in De Aar.

### ***Community Trust***

The establishment of a community benefit structure (typically, a Community Trust) also creates an opportunity to support local economic development in the area. The requirement for the project to allocate funds to socio-economic contributions (through structures such as Community Trusts) provides an opportunity to advance local community projects, which is guaranteed for a 20-year period (project lifespan). The revenue from the proposed SEF can be used to support a number of social and economic initiatives in the area, including but not limited to:

- Creation of jobs.
- Education.
- Support for and provision of basic services.
- School feeding schemes.
- Training and skills development.
- Support for SMME's.

The 2020 IPPP Overview notes that the SED contributions associated with the 68 IPPs has to date has amounted to R 1.2 billion. The province with the highest SED contribution has been the Northern Cape Province, followed by the Eastern Cape and Western Cape. To date (across seven bid windows) a total contribution of R23.1 billion has been committed to SED initiatives. Assuming an even, annual revenue spread, the average contribution per year would be R1.2 billion. Of the total commitment, R18.8 billion is specifically allocated for local communities where the IPPs operate. With every new IPP on the grid, revenues and the respective SED contributions will increase.

The long-term duration of the contributions from the SEF also enables local municipalities and communities to undertake long term planning for the area. Experience has, however, shown that Community Trusts can be mismanaged. This issue will need to be addressed in order to maximise the potential benefits associated with the establishment of a Community Trust or other community benefit structure (entity). The REIPPPP does however have stringent audit requirements in place to try and prevent the mismanagement of trusts.

### ***Benefits to landowners***

The income from the SEF reduces the risks to the livelihoods of the affected landowners posed by droughts and fluctuating market prices for sheep and farming inputs, such as fuel, feed etc. The additional income from the SEF would improve economic security of farming

operations, which in turn would improve job security of farm workers and benefit the local economy.

**Potential negative impacts**

- The visual impacts and associated impact on sense of place.
- Potential impact on tourism.

The findings of the SIA indicate that the significance of all the potential negative impacts, with the exception of the visual impact on the areas sense of place, with mitigation were **Low Negative**. Most of the potential negative impacts can therefore be effectively mitigated if the recommended mitigation measures are implemented.

The significance of the impacts associated with the operational phase are summarised in Table 5.2.

**Table 5.2: Summary of social impacts during operational phase**

<b>Impact</b>	<b>Significance No Mitigation</b>	<b>Significance With Mitigation</b>
<b>Promotion of renewable energy projects</b>	High (+)	High (+)
<b>Creation of employment and business opportunities</b>	Low (+)	Medium (+)
<b>Establishment of Community Trust</b>	Medium (+)	High (+)
<b>Generate income for affected landowner/s</b>	Low (+)	Medium (+)
<b>Visual impact and impact on sense of place</b>	Medium (-)	Medium (-)
<b>Impact on tourism</b>	Low (-)	Low (-)

**5.2.4 Assessment of cumulative impacts**

***Cumulative impact on sense of place***

The Pixley Park PV Cluster involves the establishment of four SEFs. The potential for cumulative impacts associated with combined visibility (whether two or more solar facilities will be visible from one location) and sequential visibility (e.g., the effect of seeing two or more solar facilities along a single journey therefore exists. The significance of the impact is rated as **Medium Negative**.

***Cumulative impact on services***

The establishment of the proposed SEF and the other REFs in the ELM may place pressure on local services, specifically medical, education and accommodation. This pressure will be associated with the potential influx of workers to the area associated with the construction and operational phases of renewable energy projects proposed in the area, including the proposed SEF. The potential impact on local services can be mitigated by employing local community members. With effective mitigation the impact is rated as **Low Negative**.



In addition, as indicated below, this impact should also be viewed within the context of the potential positive cumulative impacts for the local economy associated with the establishment of renewable energy as an economic driver in the area.

### ***Cumulative impact on local economies***

In addition to the potential negative impacts, the establishment of the proposed SEF and other renewable energy projects in the area also has the potential to create a number of socio-economic opportunities for the ELM, which, in turn, will result in a positive social benefit. The positive cumulative impacts include creation of employment, skills development and training opportunities, creation of downstream business opportunities. The Community Trusts associated with each project will also create significant socio-economic benefits. These benefits should also be viewed within the context of the limited economic opportunities in the area and the impact of the decline in the mining sector in recent years. This benefit is rated as **High Positive** with enhancement.

### **5.2.5 Decommissioning phase**

Given the relatively small number of people employed during the operational phase (~ 20), the potential negative social impact on the local economy associated with decommissioning will be limited. In addition, the potential impacts associated with the decommissioning phase can also be effectively managed with the implementation of a retrenchment and downscaling programme. With mitigation, the impacts are assessed to be Low (negative).

### **5.2.6 Assessment of no-development option**

The No-Development option would represent a lost opportunity for South Africa to supplement its current energy needs with clean, renewable energy. Given South Africa's position as one of the highest per capita producers of carbon emissions in the world, this would represent a High negative social cost. The no-development option also represents a lost opportunity in terms of the employment and business opportunities (construction and operational phase) associated with the proposed SEF, and the benefits associated with the establishment of a Community Trust. This also represents a negative social cost.

However, at a provincial and national level, it should be noted that the SEF development proposal is not unique. In that regard, a significant number of renewable energy development, including SEFs, are currently proposed in the Northern Cape Province and South Africa. Foregoing the proposed SEF development would therefore not necessarily compromise the development of renewable energy facilities in the Northern Cape or South Africa. However, the socio-economic benefits for the ELM would be forfeited.

## **5.3 CONCLUSIONS AND RECOMMENDATIONS**

### ***Conclusions***

The findings of the SIA indicate that the development of the proposed 100 MW Wagt PV SEF and associated infrastructure will create employment and business opportunities for locals in the ELM during both the construction and operational phase of the project. All of the potential negative impacts, with the exception of the impact on sense of place, can also be effectively mitigated.

The establishment of a Community Trust will also benefit the local community. The enhancement measures listed in the report should be implemented in order to maximise the potential benefits. The significance of this impact is rated as **High Positive**. The proposed

development also represents an investment in clean, renewable energy infrastructure, which, given the negative environmental and socio-economic impacts associated a coal-based energy economy and the challenges created by climate change, represents a significant positive social benefit for society as a whole. The findings of the SIA also indicate that the Renewable Energy Independent Power Producers Procurement Programme (REIPPPP) has resulted in significant socio-economic benefits, both at a national level and at a local, community level. These benefits are linked to foreign Direct Investment, local employment and procurement and investment in local community initiatives. The establishment of the proposed 100 MW Wagt PV SEF and associated infrastructure including a BESS is therefore supported by the findings of the SIA.

***Recommendations***

The enhancement and mitigation measures outlined in the SIA and other key specialist reports should be implemented.

## **ANNEXURE A**

### **INTERVIEWS**

- Albertyn, Mr Diederik (telephonic 2022-06-09). Cyfferkuil 7/7.
- Du Toit, Mr Pieter (telephonic 2022-06-09). Riet Fountain 6/RE, 6/2, 6/4, Roode Kraal 28, Bloemhof 145/1.
- Pienaar, Mr Dupie (telephonic 2022-06-09). Carolus Poort 3/RE, 3/3, 3/4, 3/12, Vetlaagte 4, Riet Fountain 6/1.
- Van der Merwe, Mr Barend (telephonic 2022-06-09). Wag en Bittje 5/RE.

### **REFERENCES**

- The National Energy Act (2008).
- The White Paper on the Energy Policy of the Republic of South Africa (December 1998).
- The White Paper on Renewable Energy (November 2003).
- Integrated Resource Plan (IRP) for South Africa (2010-2030).
- National Development Plan (2011).
- Northern Cape Provincial Growth and Development Strategy (2004-2014).
- Northern Cape Climate Change Response Strategy.
- Northern Cape Spatial Development Framework (2012).
- Northern Cape Province Green Document (2017/2018).
- Pixley Ka Seme Integrated Development Plan (2019-2020).
- Pixley Ka Seme Spatial Development Framework (2017).
- Emathanjeni Integrated Development Plan (2021-2022).
- Green Jobs Study (2011), IDC, DBSA Ltd and TIPS.
- Independent Power Producers Procurement Programme (IPPPP): An Overview (2017), Department of Energy, National Treasury and DBSA.
- Powering the Future: Renewable Energy Roll-out in South Africa (2013), Greenpeace South Africa.

## ANNEXURE B

### METHODOLOGY FOR THE ASSESSMENT OF POTENTIAL IMPACTS

Direct, indirect and cumulative impacts of the above issues, as well as all other issues identified will be assessed in terms of the following criteria:

- The **nature**, which shall include a description of what causes the effect, what will be affected and how it will be affected.
- The **extent**, where it will be indicated whether the impact will be local (limited to the immediate area or site of development), regional, national or international. A score between 1 and 5 will be assigned as appropriate (with a score of 1 being low and a score of 5 being high).
- The **duration**, where it will be indicated whether:
  - \* the lifetime of the impact will be of a very short duration (0–1 years) – assigned a score of 1;
  - \* the lifetime of the impact will be of a short duration (2-5 years) - assigned a score of 2;
  - \* medium-term (5–15 years) – assigned a score of 3;
  - \* long term (> 15 years) - assigned a score of 4; or
  - \* permanent - assigned a score of 5.
- The **magnitude**, quantified on a scale from 0-10, where a score is assigned:
  - \* 0 is small and will have no effect on the environment;
  - \* 2 is minor and will not result in an impact on processes;
  - \* 4 is low and will cause a slight impact on processes;
  - \* 6 is moderate and will result in processes continuing but in a modified way;
  - \* 8 is high (processes are altered to the extent that they temporarily cease); and
  - \* 10 is very high and results in complete destruction of patterns and permanent cessation of processes.
- The **probability of occurrence**, which shall describe the likelihood of the impact actually occurring. Probability will be estimated on a scale, and a score assigned:
  - \* Assigned a score of 1–5, where 1 is very improbable (probably will not happen);
  - \* Assigned a score of 2 is improbable (some possibility, but low likelihood);
  - \* Assigned a score of 3 is probable (distinct possibility);
  - \* Assigned a score of 4 is highly probable (most likely); and
  - \* Assigned a score of 5 is definite (impact will occur regardless of any prevention measures).
- The **significance**, which shall be determined through a synthesis of the characteristics described above (refer formula below) and can be assessed as low, medium or high.
- The **status**, which will be described as either positive, negative or neutral.
- The *degree* to which the impact can be *reversed*.
- The *degree* to which the impact may cause *irreplaceable loss of resources*.
- The *degree* to which the impact can be *mitigated*.

The **significance** is determined by combining the criteria in the following formula:

$S=(E+D+M)P$ ; where

S = Significance weighting

E = Extent

D = Duration

M = Magnitude  
P = Probability

The **significance weightings** for each potential impact are as follows:

- < 30 points: Low (i.e. where this impact would not have a direct influence on the decision to develop in the area),
- 30-60 points: Medium (i.e. where the impact could influence the decision to develop in the area unless it is effectively mitigated),
- > 60 points: High (i.e. where the impact must have an influence on the decision process to develop in the area).

## **ANNEXURE C**

### **Tony Barbour**

#### **ENVIRONMENTAL CONSULTING AND RESEARCH**

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(Tel) 27-21-761 2355 - (Fax) 27-21-761 2355 - (Cell) 082 600 8266  
(E-Mail) [tbarbour@telkomsa.net](mailto:tbarbour@telkomsa.net)

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Tony Barbour's has 26 years' experience in the field of environmental consulting and management. His experience includes working for ten years as a consultant in the private sector followed by four years at the University of Cape Town's Environmental Evaluation Unit. He has worked as an independent consultant since 2004, with a key focus on Social Impact Assessment. His other areas of interest include Strategic Environmental Assessment and review work.

#### **EDUCATION**

- BSc (Geology and Economics) Rhodes (1984);
- B Economics (Honours) Rhodes (1985);
- MSc (Environmental Science), University of Cape Town (1992)

#### **EMPLOYMENT RECORD**

- Independent Consultant: November 2004 – current;
- University of Cape Town: August 1996-October 2004: Environmental Evaluation Unit (EEU), University of Cape Town. Senior Environmental Consultant and Researcher;
- Private sector: 1991-August 2000: 1991-1996: Ninham Shand Consulting (Now Aurecon, Cape Town). Senior Environmental Scientist; 1996-August 2000: Steffen, Robertson and Kirsten (SRK Consulting) – Associate Director, Manager Environmental Section, SRK Cape Town.

#### **LECTURING**

- University of Cape Town: Resource Economics; SEA and EIA (1991-2004);
- University of Cape Town: Social Impact Assessment (2004-current);
- Cape Technikon: Resource Economics and Waste Management (1994-1998);
- Peninsula Technikon: Resource Economics and Waste Management (1996-1998).

#### **RELEVANT EXPERIENCE AND EXPERTISE**

Tony Barbour has undertaken in the region of 260 SIA's, including SIA's for infrastructure projects, dams, pipelines, and roads. All of the SIAs include interacting with and liaising with affected communities. In addition, he is the author of the Guidelines for undertaking SIA's as part of the EIA process commissioned by the Western Cape Provincial Environmental Authorities in 2007. These guidelines have been used throughout South Africa.

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

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

## ANNEXURE D

The specialist declaration of independence in terms of the Regulations\_

I, Tony Barbour \_\_\_\_\_, declare that -- General

declaration:

I act as the independent specialist in this application;

I will perform the work relating to the application in an objective manner, even if this results in views and findings that are not favourable to the applicant;

I declare that there are no circumstances that may compromise my objectivity in performing such work;

I have expertise in conducting the specialist report relevant to this application, including knowledge of the Act, Regulations and any guidelines that have relevance to the proposed activity;

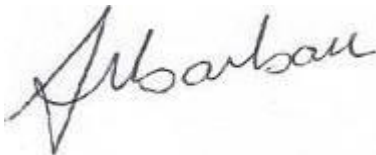
I will comply with the Act, Regulations and all other applicable legislation;

I have no, and will not engage in, conflicting interests in the undertaking of the activity;

I undertake to disclose to the applicant and the competent authority all material information in my possession that reasonably has or may have the potential of influencing - any decision to be taken with respect to the application by the competent authority; and - the objectivity of any report, plan or document to be prepared by myself for submission to the competent authority;

all the particulars furnished by me in this form are true and correct; and

I realise that a false declaration is an offence in terms of regulation 48 and is punishable in terms of section 24F of the Act.



\_\_\_\_\_  
Signature of the specialist:

Tony Barbour Environmental Consulting and Research

\_\_\_\_\_  
Name of company (if applicable):

6 June 2022

\_\_\_\_\_  
Date: