Specialist Study 4

# Social Impact Assessment

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## 1.1 Introduction

This section of the report analyses the social impacts that may result from the proposed upgrade of the railway line. These impacts are based on research undertaken to date, including secondary information gathered and the consultation process. The scope of the impact assessment was at a district level in keeping with the brief of the study. The impacts are therefore fairly general, and as such can be applied to all sites within the project area.

The identified impacts (positive and negative) have been assessed in terms of the affects of the proposed project on the receiving socio-economic environment and stakeholders. The project activities are described in *Chapter 4*. The methodology used to assess the identified impacts is explained in *Chapter 3*.

Mitigation measures have been provided that aim to avoid, minimise, reduce, remediate or provide appropriate alternatives for potential negative impacts and enhance potential benefits of the Project. The section furthermore provides a prediction of the residual impact that will remain, assuming that all mitigation measures are implemented.

There are five impacts that have been identified and assessed and two discussion topics that are relevant to the project that make up the impact assessment component. These include:

- Impact on infrastructure and services;
- Impact on employment and procurement;
- Impact on the spread of HIV/Aids and sexually transmitted infections;
- Impact of the increase in social ills;
- Impact on the sense of place;
- Discussion on land issues related to the project; and
- Discussion on managing stakeholder perceptions.

Mitigation measures and recommendations are provided under each impact. These mitigation measures are proposed to be adopted by the project proponent and implemented to effect the purpose of the SIA. Some of the general mitigation measures proposed include:

- To develop and implement a Corporate Social Investment (CSI) programme in consultation with local communities;
- To establish a stakeholder engagement plan and appoint a permanent community liaison officer;
- To form partnerships with relevant local government authorities to implement other programmes such as an HIV/Aids awareness programme; and

• To implement a grievance procedure.

## 1.2 IMPACT ON INFRASTRUCTURE AND SERVICES

This section focuses on the impact on water supply and sanitation and mentions the impact on other social services and infrastructure for the construction and operation phases of the project. *Table 1.1* provides a summary of the project activity, the type of impact and the receptors or stakeholders that may be affected. *Box 1.1* and *Box 1.2* summarise the assessment of the impacts on infrastructure and services at the construction phase and operational phase respectively. *Table 1.2* provides an overview of the significance rating before and after mitigation measures are implemented.

# 1.2.1 Impact Description and Assessment

 Table 1.1
 Impact Characteristics: Infrastructure and Services

Summary	Construction	Operation
Project Aspect/ Activity	Use of water in construction and	Use of services such as water,
	upgrade of loops and access	electricity and sanitation in
	roads to the site.	upgraded yards and at the
	Water, sanitation and electricity	substation site.
	requirements of workers and	Use of services by migrants who
	migrant job seekers.	settle in affected towns.
Impact Type	Direct (as related to project	Direct (as related to project
	activities) and Indirect (as	activities) and Indirect (as
	related to in-migration).	related to in-migration).
Stakeholders/ Receptors	Communities living in the towns	Migrant workers and local
Affected	that are located along the	communities.
	railway line.	Local municipalities.
	Migrant workers.	
	Local municipalities.	

# Construction Phase Impacts

Water availability and use: The Northern Cape is in a semi-desert region and as such water is a scarce resource. Despite this, access to water is relatively good in the Northern Cape with the majority (90 percent) of households having access to water, albeit within a proximity of 200 m from the household (Portfolio Committee on Water Affairs and Forestry, 2005).

Parts of the project area in the Eastern Cape fall within what is known as the 'drought corridor (1)' (Usman and Reason, 2004). This region is known for its sporadic droughts and water is generally scarce. Access to water in the major part of the project area in the Eastern Cape is limited. In some areas borehole

<sup>(1)</sup> The drought corridor extends across the Southern Africa region. This region extends from 20 degrees to 25 degrees south and is typically a summer rainfall region, but the region often experiences half or more of the summer season under a dry spell.

water is heavily relied on due to low rainfall characteristic of the Eastern Cape.

Water will be needed for the construction phase of the project. In places where water is scarce Transnet has suggested that water will be trucked into the project area to meet the construction needs. Alternatively, agreements may be reached with local landowners for the use of local boreholes. Transnet has not rejected the possibility of having to establish new boreholes to meet their requirements.

**Sanitation** throughout the project area is less than adequate. Basic sanitation is supplied to 74 percent of all households in the Northern Cape and in parts of the Eastern Cape only 55 percent have access to adequate sanitation.

Dry sanitation, which is the disposal of human waste without the use of water, has been piloted. This form of sanitation is especially useful in water scarce areas, but acceptance of dry sanitation, which requires a shift in popular perceptions, still needs attention (Portfolio Committee on Water Affairs and Forestry, 2005). Portable sanitation facilities will be supplied by Transnet for its workforce.

People in search of jobs on the proposed Project, who migrate into towns, will further increase the pressure on the already limited water and sanitation services.

**Roads:** It is likely that there will be an increase in construction vehicle traffic on the roads leading to the development sites. Transnet intends to transport the majority of materials by road. This is likely to have a significant impact on the quality of the roads, especially gravel roads close to the construction sites. The tarred roads in towns may also be impacted due to use by heavy construction vehicles. The impact of traffic within the project area, during the construction phase activities, is addressed as part of the Traffic Impact Annex F.

Other services/infrastructure: The influx of job seekers would potentially exert pressure on other social services and infrastructure such as housing, schools and clinics. Given the housing backlog of 2.4 million homes across South Africa and the mandate of municipalities to provide housing (Mail & Guardian, 2007), the influx of job-seekers into the project area could exacerbate the housing problem. It is likely that these job-seekers will build informal houses, growing the informal areas. The growth in informal areas adds to the difficulty of providing social services to these areas as they are growing fast, making it nearly impossible for local municipalities to meet the growing demand.

**Nature**: The impact will be **negative**. It will be **direct** as related to construction activities and **indirect** as related to pressure on services sought by job-seekers.

#### Impact Magnitude: Medium

- **Extent**: The extent of the impact will be **local** as the impacts are likely to be on people living in close proximity to the site.
- **Duration**: The duration will be **short term** to longer as greater impacts will be experienced during the construction period but other impacts on infrastructure and services by migrant job-seekers may persist beyond construction.
- **Intensity**: The intensity is difficult to rate as it is likely to be experienced differently by different groups of people in the community. Owing to the variation across communities, a conservative approach has been adopted; hence the intensity is anticipated to be **medium**.

**Likelihood**: **Medium -** It is highly probable that there will be an increase in pressure on existing infrastructure.

**Impact Significance (Pre-Mitigation):** Municipalities are currently struggling to provide adequate infrastructure and services to people in communities already within their jurisdiction. The additional pressure exerted by the construction activities and in-migration will add to the problem of service provision. The significance of increased pressure on already limited infrastructure and services is considered to be of **moderate** significance.

**Degree of Confidence:** The degree of confidence is **medium** given the lack of information on the state of existing infrastructure at the local level.

## **Operation Phase Impacts**

The operation phase activities will include an increased frequency of trains on the line and ongoing train yard operations as well as intermittent maintenance at train yards and the substation site. It is expected that these activities will not have a big impact on infrastructure and services. The direct impact on water and sanitation facilities will be limited. The indirect impact on these services by the remaining job-seekers, however, would still be significant but lower than the anticipated construction phase impacts. While a few job-seekers are likely to find work, there will be others who will not and will nevertheless choose to remain in the affected communities, placing further pressure on local government to meet infrastructure and service needs, especially in the more remote parts of the project area. The most significant problems relating to infrastructure and services will be the provision of adequate sanitation and housing delivery.

The proposed traction substation at Emil is planned to improve electricity supply to the railway line in the area of Mamathwane to Hotazel. It is unlikely to cause any disruptions to broader electricity supply in the region. However, this depends on management of the local electricity supply by Eskom.

The impacts on roads will be confined to the construction phase. The biggest impact is likely to be at level crossings, where structural changes will be made to the crossing as well as the relocation of private and public roads. This may

have a positive impact in that it could lead to improvements in the condition of the roads and level crossings.

## Box 1.2 Operational Impact: Infrastructure and Services

**Nature**: The impact on infrastructure will be **negative**. It will be **direct** as related to operational activities and **indirect** as related to influx of job-seekers.

#### Impact Magnitude: Low

- **Extent**: The extent of the impact will be **local** as it will affect the respective communities at particular sites.
- **Duration**: The direct impacts would be **long term**, while the indirect impacts will most probably be **permanent**.
- **Intensity**: The intensity would be **low** as the operation of the additional trains is not associated with any changes to infrastructure or major requirements for additional services.

**Likelihood: Medium –** It is highly probably that there will be an increase in pressure on existing infrastructure.

**Impact Significance (Pre-Mitigation):** It is expected that the operational impacts will be significantly less than the construction phase impacts given that once the trains are running it will only be the station yards and related facilities, and the level crossings, that will be in use. The impact significance will be **minor.** 

**Degree of Confidence:** The degree of confidence is **medium** given the lack of information on the state of existing infrastructure at the local level.

## Mitigation

The objectives of the mitigation measures are to:

- ensure that the project activities do not place any direct pressure on the already strained local infrastructure and services;
- implement corporate social investment projects that off-set impacts on infrastructure and services from in-migration; and
- encourage and support government in improving the levels of infrastructure and services provided in the project area, e.g., public lighting and electricity.

Specific mitigation measures that could be taken include:

- Transnet will meet all practical infrastructure and service needs of its construction and operational phase activities so that no additional pressure is placed on existing capacity. Such interventions include:
  - Transnet will drill boreholes or truck water in, should there be insufficient water to meet the needs of the project during construction and/or operation;
  - Transnet will make sanitation facilities available on-site for all employees and contractors;
  - Use of diesel powered mobile generators for construction activities;
  - Transnet will upgrade and maintain transport routes in the area that are used by project vehicles; and

- Vehicles will be required to use specified routes so as to limit impacts to local roads.
- In order to manage the expectations of potential job-seekers and thus attempt to reduce their numbers, Transnet will advertise the approach to, and requirements for, employment and procurement throughout the Northern and Eastern Cape Provinces.
- Transnet will develop and implement a Corporate Social Investment
  Programme that clearly outlines their anticipated initiatives. These
  initiatives will be identified in consultation with the affected local
  communities. The plan will outline where projects will be implemented
  and what the nature of the assistance will be. This strategy will be
  communicated through a stakeholder engagement plan to ensure that
  expectations remain realistic and are pro-actively managed.
- Transnet will initiate the formation of partnerships, particularly with relevant government departments, to address selected infrastructure and service areas that are negatively impacted by the influx of job-seekers.
- Transnet will establish a stakeholder engagement plan to ensure on-going identification and management of stakeholder issues and concerns. This engagement plan will target residents from all towns. Transnet will appoint a permanent community liaison officer to interact with the communities.
- Transnet will implement a grievance procedure that is easily accessible to local residents, and which allows complaints related to contractor or employee behaviour to be lodged and responded to. Transnet will respond in a serious manner to any such complaints. A grievance register will be maintained by Transnet.

It is important to emphasise that Transnet, while meeting its own infrastructure and service requirements, will not take on the government's responsibility as service provider.

## Residual Impact after Mitigation

The implementation of the above mitigation measures will go part of the way to manage and reduce Transnet's direct impact on local services and infrastructure as well as indirect impact through in-migration of job-seekers. The impacts related to in-migration are inherently more difficult to manage. The significance rating may be reduced to one of minor significance during construction and negligible significance during operation. Should the partnership with government not result in any infrastructural improvements as a result of poor partnership or government inputs, the residual significance rating may not be reduced and will remain moderate and minor for the construction and operational phases respectively. The pre- and post-mitigation impacts are compared in *Table 1.2* below.

Table 1.2 Pre- and Post- Mitigation Significance: Infrastructure

Phase	Significance (Pre-mitigation)	Residual Impact Significance
Construction	MODERATE (negative)	MINOR (negative)
Operation	MINOR (negative)	NEGLIGIBLE (negative)

# 1.3 EMPLOYMENT AND PROCUREMENT

This section examines the employment and procurement needs of the construction and operation phases of the project. Employment impacts are assessed at the local, regional, and national levels. Similarly the impacts on procurement are assessed at the local, regional, national and international levels. *Table 1.3* provides a summary of the project activity, the type of impact and the receptors or stakeholders that may be affected during the construction and operation phases of the project. *Box 1.3* outlines the goods and services that will be procured and whether these are procured at a local, regional, national or international level. *Box 1.4* and *Box 1.5* summarises the assessment of the impacts on employment and procurement at the construction phase and operational phase respectively. *Table 1.4* outlines the significance rating of the impact before and after the implementation of mitigation measures.

# 1.3.1 Impact Description and Assessment

 Table 1.3
 Impact Characteristics: Employment and Procurement

Summary	Construction	Operation
Project Aspect/ Activity	Upgrade and construction of	Operation of trains and station
	railway and associated	yards (direct employment).
	infrastructure including access	Routine maintenance of railway
	roads, refurbishment of station	line and trains in train yards.
	yards and establishment of	Procurement of goods and
	laydown areas.	services related to routine
	Procurement of goods and	maintenance of the line and the
	services required for the upgrade	associated yards and substation.
	of loops, refurbishment of yards	Indirect employment
	and other construction related	opportunities as a result of
	activities.	procurement of goods and
	Indirect employment	services.
	opportunities as a result of	Induced employment
	procurement of goods and	opportunities through increased
	services.	spending in the local economy.
	Induced employment	
	opportunities through increased	
	spending in the local economy.	
Impact Type	Direct (as related to the project)	Direct (as related to the project)
	and indirect (as related to	and indirect (as related to
	employment and procurement	employment and procurement
	by contractors).	by contractors).

Summary	Construction	Operation
Stakeholders/ Receptors	Local and regional workforce.	Local and regional workforce.
Affected	Local, regional, national and	Local, regional, national and
	international contractors and	international contractors and
	manufacturers of rail equipment.	manufacturers of rail equipment.

# Construction Phase Impacts

The railway line traverses parts of the Northern Cape and Eastern Cape Provinces. These provinces have extremely high unemployment rates, being 54 percent and 50.5 percent respectively (Stats SA, 2008). Agriculture is the primary sector of employment in the rural areas, which comprise the major part of the study area. It is unlikely that many people will have the necessary skills or experience for the project due to the concentration of employment in the agricultural sector. In addition, the low levels of education and skills mean that there will possibly be high numbers of unskilled job-seekers.

The construction phase will be divided into the following activities,:

- upgrade and construction of the loops requiring the operation of machinery by skilled workers and artisans; unskilled workers will be used for manual labour at the sites;
- relocation of signalling equipment and related structures associated with loop extensions and construction;
- improvement and construction of access roads to the sites;
- alteration of existing level crossings associated with existing loops;
- refurbishment of the station yards in the Northern Cape;
- construction of the traction substation at Emil;
- creation of new borrow pits within the rail reserve; and
- the establishment of laydown areas.

The construction period is short as each loop will take between three and five months to complete. Contracts will be awarded to contractor firms for the construction of sets of six to nine loops. With only a possible nine loops identified for the first phase of construction, a maximum of two contracts may be awarded in Phase 1 of this project. The list of loops in Phase 1 is, however, subject to change. The employment period for Phase 1 will likely range from 15 - 27 months.

The construction phase of the proposed upgrade of the Transnet railway line and associated infrastructure will result in direct employment both locally and regionally through on-site contractors. Due to the highly technical nature of the construction phase, a large proportion of the workforce will be skilled and semi-skilled employees. It is envisaged that the project will create employment opportunities for approximately 75 skilled and 100 unskilled workers for each contract. The jobs that will be created are temporary in nature as they will only last for the duration of the construction phase. Unskilled labour will be sourced from the nearest towns in the surrounding

area, while skilled labour will be sourced from within South Africa, preferably from local areas and the affected provinces.

In addition to the few direct employment opportunities available to local people, there will be a small number of indirect and induced employment opportunities generated.

- Indirect employment will be created as contractors appointed by Transnet will employ local labour. The details of labour to be recruited by contractors are not known at this stage. Transnet has indicated that the intention is for semi-skilled and unskilled labour to be recruited locally.
- **Induced employment** will also be created through increased spending in the local economy by employees and migrants into the project area. The small scale of the project means that indirect and induced employment is likely to be extremely limited.

According to Transnet, most of the goods and services required are highly specialised. Consequently few of these may be available at the regional and the local levels with the exception of civil and earthworks contractors.

Given the scale and nature of the project the vast majority of goods and services will either be procured nationally (predominantly Gauteng) or internationally (Europe). The total estimated budget of the project is approximately R3 billion. Local businesses throughout the project area differ in size and nature. They will, therefore, have varying capacities to deliver on the needs of the project. *Box 1.3* provides an overview of the major goods and services that will need to be procured as well as the anticipated origin thereof.

#### Box 1.3 Goods and Services to be Procured

## **International/National Procurement**

- Rails and turnout components will be sourced internationally;
- Traction substation equipment will be sourced from South Africa and internationally;
- Signalling and telecommunication equipment will be sourced from South Africa and internationally;
- Sleepers and fastenings will be sourced within South Africa;
- Overhead traction equipment will be sourced within South Africa; and
- Overhead traction equipment, signalling and telecoms contractors will be sourced within South Africa.

## **Regional/Local Procurement**

- Ballast and layer works material will be sourced form the relevant province but as close as possible to the site;
- Civil and earthworks contractors will be sourced regionally and locally depending on their availability; and
- Plate laying contractors will be sourced regionally and locally depending on their availability.

South Africa will experience a general election in early 2009. There is a strong possibility that job creation will be raised as a key issue during the campaign leading to increased popular expectations in the period that follows. This may impact on the subsequent demand for employment on the proposed development.

## Box 1.4 Construction Impact: Employment and Procurement

**Nature**: The impact will be **positive** and be **direct** (where related to the project activities), **indirect** (created through the Transnet supply chain), as well as **induced** (by increased employee spending).

Impact Magnitude: The magnitude of the impact is low.

- Extent: The extent of the impact will be experienced at the local, regional, national and international scales; skilled labour will be sourced nationally and unskilled labour will be sourced locally.
- **Duration**: The duration will be **short-term** as it will last for the duration of the construction phase. Construction time could range from a few months the time required for the construction of one loop to 15-27 months for the completion of each phase of the project.
- **Intensity**: The intensity of the employment and procurement is **low** due to the limited number of jobs that will be created, the temporary nature thereof; and the procurement of key equipment from outside South Africa.

**Likelihood: High -** Procurement of goods, services and employment (direct and indirect) will definitely be created during the construction phase.

Impact Significance (Pre-Mitigation): The impact significance will be minor.

**Degree of Confidence:** The degree of confidence is **medium**, given the lack of information regarding employment and procurement procedures.

## **Operation Phase Impacts**

Few permanent jobs may be generated during the operational phase. Permanent positions may be required for administrators, private secretaries, yard masters, yard officials, yard foreman, sundry workers, section managers, chief shedmen, shed assistants, shedmen, train assistants, train control officers, service drivers and general workers. It is unclear if those to be employed to these positions are already either in the general employ of Transnet or on the current railway line, or will need to be recruited anew. The number of these jobs will increase as the capacity of the line increases over time. Temporary and permanent indirect employment opportunities will be created in the manufacture of the wagons and equipment for the railway line. These jobs require skilled and semi-skilled workers with relevant experience.

It is unlikely that maintenance activities will be outsourced. However, in the event that it is, these contracts are not expected to be of large value or involve many people.

# Box 1.5 Operational Impact: Employment and Procurement

**Nature**: The impact will be **positive** and **direct** as the operational phase will provide some permanent employment.

## Impact Magnitude: Negligible

- Extent: The extent is both local and regional with respect to employment, as well as national and international, with respect to procurement of rail equipment and wagons.
- **Duration**: The duration will be **long term** as permanent work will be created over the lifespan of the railway line. However, the frequency of job creation and procurement will **intermittent** as goods and services will be procured as they are needed.
- **Intensity**: The intensity of the impact will be **negligible** given the few permanent job opportunities that will become available and the temporary nature of procurement.

**Likelihood:** Low - It is possible that job creation and procurement will occur during operations. **Impact Significance (Pre-Mitigation):** The impact significance will be **negligible.** 

**Degree of Confidence:** The degree of confidence is **medium** as the exact number of employment and procurement opportunities that will be created is still unknown.

## Mitigation

The objective of mitigation is to optimise opportunities for employment and the procurement of goods and services from South Africa where possible, particularly from the localities immediate to the project sites.

Specific mitigation measures proposed are:

- Transnet will establish a recruitment procedure which prioritises the employment of South Africans, specifically local residents <sup>(1)</sup> by setting relevant criteria as part of the recruitment process. Unskilled labour opportunities will be evenly distributed throughout the project area. In addition, unskilled labour targets will reflect an even distribution of opportunities within the project area.
- Transnet will build the capacity of employees and provide them with relevant training certificates and letters of reference. This may enable them to access other jobs following the completion for the transmission line.
- Procurement targets, focussing on South African suppliers, will be incorporated into the key performance indicators of the project team, and specified in the relevant contracts.
- Transnet will implement a simplified procurement process for small-scale contracts to enable small/less experienced local level suppliers to tender for the work. To make this possible, Transnet will operate a 'help-desk' facility to provide advice and guidance to those who require support.

<sup>(1)</sup> The definition of 'local' should be agreed upon with key project stakeholders from the area.

- Transnet will advertise the approach (e.g., selection criteria) to and, requirements (e.g., skills and experience) for employment and procurement throughout the Northern and Eastern Cape Provinces.
   These will actively be made available to local recruitment offices and community/traditional leaders. This should be done far in advance of the commencement of employment and procurement.
- Transnet will establish a stakeholder engagement plan to ensure on-going identification and management of stakeholder issues and concerns. This engagement plan will target residents from all directly affected towns.
   Transnet will appoint a permanent community liaison officer to interact with these communities.
- Transnet will implement a grievance procedure that is easily accessible to local residents, and which allows complaints related to contractor or employee behaviour to be lodged and responded to. Transnet will respond in a serious manner to any such complaints. A grievance register will be maintained by Transnet.

## Residual Impact after Mitigation

The proposed project is not likely to generate significant direct, indirect or induced employment or procurement opportunities. These will be limited due to the short construction period and small number of workers required for the ongoing operations. If Transnet commits to maximising opportunities for South Africans, specifically locals, by implementing the mitigation measures, a positive impact, albeit small, will be realised. The post-mitigation significance rating will remain one of moderate positive significance during construction and minor positive significance during operation. The pre- and post-mitigation impacts are compared in *Table 1.4* below.

Table 1.4 Pre- and Post- Mitigation Significance: Employment and Procurement

Phase	Significance (Pre-mitigation)	Residual Impact Significance
Construction	MINOR (positive)	NEGLIGIBLE (positive)
Operation	NEGLIGIBLE (positive)	NEGLIGIBLE (positive)

# 1.4 IMPACT ON THE SPREAD OF HIV/AIDS AND SEXUALLY TRANSMITTED INFECTIONS (STIS)

This section highlights the mortality profile of both the Northern Cape and Eastern Cape Provinces, however, the focus is on the impact on the spread of HIV/Aids and sexually transmitted infections. It is believed that the impact on the spread of HIV/Aids and STI's is the most relevant to the project activities. The impacts are assessed at the local level as this is the locus of the impact.

*Table 1.5* provides a summary of the project activity, the type of impact and the receptors or stakeholders that may be affected during the construction and operation phase of the project. *Box 1.6* indicates key elements of a typical HIV/Aids programme that could be used by Transnet in the development of a programme for the project. *Box 1.7* summarises the assessment of the impacts on the spread of HIV/Aids and STI during the construction phase and operational phase respectively.

*Table 1.6* outlines the significance rating of the impact before and after the implementation of mitigation measures.

# 1.4.1 Impact Description and Assessment

# Table 1.5 Impact Characteristics: Spread of HIV/AIDS and STIs

Summary	Construction & Operation
Project Aspect/ Activity	Construction of loops, substation and refurbishment of yards.
	Operation of yards.
	Influx of job-seekers.
	Increase in disposable income.
	Maintenance of line and yards during operation phase.
Impact Type	Indirect
Stakeholders/ Receptors	Local community
Affected	Local health department and clinics
	Transnet contractors and workforce
	Migrant workers

# Construction and Operation Phase Impacts

The mortality profile of the Northern Cape shows that 51 percent of deaths are attributed to non-communicable diseases, particularly cardio vascular disease. Twenty-three percent of deaths are attributed to communicable diseases and malnutrition, including14 percent to HIV/Aids and 11 percent to injuries. The prevalence of HIV is higher in women than men, with 16 percent of all female deaths compared to 14 percent of all males deaths. The percentage of deaths as a result of injuries among males is more than double that for females (MRC, 2000).

The mortality profile of the Eastern Cape shows that 43 percent of deaths are attributed to non-communicable deaths. As in the Northern Cape, cardio vascular disease is the primary non-communicable disease. However, the prevalence of HIV in the Eastern Cape is much higher as it is the main cause of death in the province. Twenty percent of deaths are HIV/Aids related, with more women (23percent) dying of HIV/Aids than men (17 percent) (1). Deaths caused by communicable diseases are also higher in the Eastern Cape at 27 percent (MRC, 2000).

<sup>(1)</sup> The percentage of deaths attributed to HIV/Aids is a percentage of all female and male deaths.

Due to the lack of information on health statistics at the local level and given the prevalence of HIV/Aids it is believed that HIV/AIDS and STIs are most relevant to the project activities. This is because it has an immediate and direct effect on the workforce and the local communities at the project sites.

An increase in migrant workers is often linked to an increase in the transmission and prevalence of STIs given the rise in the number of single men within a targeted area. Prostitution also tends to become more common. This in turn exacerbates the transmission and, therefore, the prevalence of HIV/AIDS and STIs.

The increased prevalence of these diseases could affect contractors, employees, local residents and the families and sexual partners of anyone becoming infected in the project area.

Given that workers will not be housed in labour camps but amongst the community, it will be extremely difficult to limit the extent of the interaction of the workforce with the local communities. See *Box 1.6* for key elements of typical HIV/AIDS programmes that could be used as a model by Transnet should it implement such a programme in conjunction with the local health department.

# Box 1.6 Key Elements of HIV/AIDS Programmes

The key elements of an HIV/AIDS prevention programme are as follows:

#### Prevention:

- Raise awareness (address the facts and fiction of HIV transmission);
- Get the message out (make use of local languages or non-written forms of communication);
- Go beyond the workplace;
- De-stigmatise the disease;
- Peer education (train and support peer educators);
- Review occupational health and safety procedures;
- Condom distribution;
- Circumcision promotion;
- Voluntary HIV testing and counselling;
- Post exposure prophylaxis programme for all employees with potential exposure to blood or body fluids;
- Prevention of Mother-to-Child Transmission; and
- Training of managers and supervisors to improve programme success.

#### Treatment and Care:

- Anti-Retroviral Treatment (ARV);
- ARV programme for family members;
- Adherence promotion;
- Preparation for treatment;
- Controlled dispensing of medication;
- Ongoing adherence monitoring promotion;
- Provision of nutritional programme; and
- Terminal and home-based care.

 $Source: ICMM, Good\ Practice\ Guidance\ on\ HIV/AIDS,\ Tuberculosis\ and\ Malaria,\ 2007$ 

# Box 1.7 Construction and Operational Impacts: HIV/Aids and STIs

**Nature**: The potential changes to the levels of health would be a **negative indirect** impact in the project area.

#### Impact Magnitude: Medium

- Extent: The impacts of HIV/AIDS and STIs will be experienced at the local level but could
  be transmitted outside the project area depending on the origin of the workforce and jobseekers.
- Duration: The impact is likely to be permanent (HIV/AIDS) with the potential to result in death.
- Intensity: The intensity will be medium as those affected are likely to require support.

**Likelihood: Medium** - It is likely that an increase in the prevalence of these diseases will be experienced. It will, however, be very difficult to link this directly to the Transnet project activities.

#### Impact Significance (Pre-Mitigation): Moderate

**Degree of Confidence:** The degree of confidence is **medium** given the uncertainties related to the numbers of employees/contractors and extent of in-migration.

# Mitigation

The objectives of mitigation are to minimise the transmission of diseases, through effective control measures and to reduce the impact of the disease on the health of employees/contractors to the lowest possible level.

Transnet cannot accept sole responsibility for the management of all health related matters. They will, however, be able to enforce some controls, specifically with respect to the project activities and workforce. Transnet can partner with relevant authorities to deliver appropriate interventions on a wider scale.

Specific mitigation measures should include:

- Transnet will establish a stakeholder engagement plan to ensure on-going identification and management of stakeholder issues and concerns. This engagement plan will target residents from all affected towns. Transnet will appoint a permanent community liaison officer to interact with the affected communities.
- Transnet will implement a grievance procedure that is easily accessible to local residents, and which allows complaints related to contractor or employee behaviour to be lodged and responded to. Transnet will respond in a serious manner to any such complaints. A grievance register will be maintained by Transnet.
- Transnet will implement an education programme for all of its own and contract employees to educate them about the measures for mitigating the

transmission of HIV/AIDS and STIs. Condoms will be made available to the workers.

- Transnet will implement an HIV/AIDS programme in the project area
  addressing factual health issues as well as behaviour change issues around
  the transmission of, and infection by, HIV/AIDS and other STIs. This
  will be done in association with local health providers. The programme
  will include making condoms available within affected communities.
- Transnet will seek to foster a relationship with local health providers such that they can monitor changes in levels of community health and wellbeing.

# Residual Impact

The negative impacts associated with HIV/AIDS and STIs will be difficult for Transnet to manage. Awareness and education programmes for the community could have a positive impact. The key is for Transnet to explore ways in which to partner with local authorities and relevant organisations as a means of reducing this impact. It is unlikely that the mitigation measures will assist in reducing the significance rating below one of moderate negative significance. However, should Transnet choose not to manage this impact, the significance of the impact could increase. The pre- and post-mitigation impacts are compared in *Table 1.6* below.

Table 1.6 Pre- and Post- Mitigation Significance: Spread of HIV/Aids and STIs

Phase	Significance (Pre-mitigation)	Residual Impact Significance
Construction	MODERATE (negative)	MODERATE (negative)
Operation	MODERATE (negative)	MODERATE (negative)

### 1.5 INCREASE IN SOCIAL ILLS

This section highlights the potential impact of the increase in social ills as it is related to the increase of job-seekers and employees on the project. The impacts are limited to the construction phase of the project and it is assessed at the local level. The impacts assessed include, *inter alia*, increase in prostitution, increase in the consumption and sale of alcohol and drugs, potential increase in domestic violence and an increase in violence in general. *Table 1.7* provides a summary of the project activity, the type of impact and the receptors or stakeholders that may be affected during the construction phase of the project. *Box 1.8* outlines the assessment of the impacts of an increase in social ills during the construction phase. *Table 1.8* indicates the significance rating of the impact before and after the implementation of mitigation measures.

Table 1.7 Impact Characteristics: Increase in Social Ills

Summary	Construction	
Project Aspect/ Activity	Construction of loops and refurbishment of yards.	
	Influx of job-seekers.	
	Increase in disposable income.	
Impact Type	Direct (with respect to the project) and indirect (with respect to in-	
	migration).	
Stakeholders/ Receptors	Transnet and contractor employees	
Affected	Local municipality	
	Local communities	
	Migrant job-seekers	
	Stakeholders most vulnerable to this impact are: the elderly, the	
	unemployed, single women, and adolescents	

## Construction Phase Impacts

Social change is typically linked to an influx of people into an area in the form of employees directly related to the project, as well as job-seekers, migrating into the area in anticipation of work. As a worst-case scenario, these changes have been known to cause increased vulnerability and the susceptibility of host communities to a range of social pathologies, including increased levels of crime, substance abuse, increased incidence of sex workers, and domestic violence. As mentioned above, the construction period will be short, the employment opportunities limited, with the consequent influx of migrants likely to be limited.

The types of social pathologies that may result from an influx of job-seekers are described further below. These may only be evident to a small degree should the influx of people be limited for the reasons noted.

- Increased disposable income may result in the increased incidence of prostitution and casual sexual relations. These sexual relations could lead to an increased incidence of HIV/AIDS (baseline studies showed high prevalence of HIV/AIDS).
- Children may be conceived with migrant workers. Given the temporary
  nature of the work, it is possible that both the women and children will be
  abandoned when the construction phase ends and the contractors move
  on, leaving single female-headed households.
- Increased levels of disposable income could exacerbate the levels of substance abuse. Abuse of alcohol, and possibly of drugs, often correlates with increased levels of criminal behaviour and violence, such as domestic violence, both while under the influence of the substance, or as a desperate measure to find financial or material means with which to support the habit. Such behaviour increases the number of people indirectly affected by, or vulnerable to, substance abuse.

Social and cultural diversity, as well as the possible changes associated with an influx of people, could increase people's vulnerability and susceptibility to the social ills discussed above.

The major part of the area which the railway line traverses is rural with agriculture being the primary sector of employment. The agricultural sector in general is renowned for the high levels of substance abuse by farm workers. Through the stakeholder engagement process it was established that some of the communities in the project area have an existing substance abuse problem.

Transnet intends workers to find accommodation within the local towns. This will make it difficult for the company to mitigate any increase in social ills that may arise from this influx of workers. Conversely, the workforce will also be susceptible to the impacts of social ills existing within host communities and may also find themselves victims to incidents such as violent attacks by disgruntled locals.

Following the construction phase of the proposed upgrades to the railway line, it is unlikely that any further job-seekers will move into the area. It is anticipated that few of the job-seekers, who arrive for the construction phase, will remain in the area as there are likely to be few immediate employment opportunities for general workers during the operational phase. Some migrants may remain in the area and are likely to adjust to the social conditions of the area. Some social ills may, however, still be felt in the operational phase, such as the impact on women that are left to raise their children on their own.

# Box 1.8 Construction Impact: Increase in Social Ills

Nature: The nature of the impact will be negative and indirect.

## Impact Magnitude: Medium

- Extent: The impacts will be experienced at the local level.
- **Duration**: The impacts will be **short-term**, as they will be experienced for the duration of the construction phase. The impact will be more significant after workers have been paid as many social ills are linked to increased disposable income.
- **Intensity**: The intensity will be **medium** as social ills such as drug and alcohol abuse are already a problem in many of the towns.

Likelihood: Medium - It is highly likely that there will be an increase in social ills.

Impact Significance (Pre-Mitigation): The impact significance is moderate.

**Degree of Confidence:** The degree of confidence is **medium** given that the assessment is based on secondary data and due to the limited feedback on this matter from the consultation process.

Mitigation

The objectives of mitigation are to:

- limit, where possible, social pathologies brought about by in-migration into the project area; and
- ensure that Transnet and contractors manage their employees in such a way that the impacts on local communities are limited.

# Specific mitigation measures proposed are:

- Transnet will develop and implement an induction programme, including a Code of Conduct, for all employees and contractors, which will include the following:
  - Respect for local residents and customs;
  - Zero tolerance of illegal activities by construction personnel including using the services of prostitutes, illegal sale or purchase of alcohol, sale, purchase or consumption of drugs or illegal gambling or fighting;
  - No use of project vehicles for non-business purposes;
  - Description of disciplinary measures for infringement of stipulated protocols; and
  - At a minimum, the legal speed limit should be adhered too.
- Transnet will develop and implement a Corporate Social Investment (CSI) Programme that clearly outlines its anticipated initiatives. These initiatives will be identified in consultation with the affected local communities. The plan will outline where projects will be implemented and what the nature of the proposed interventions will be. The strategy will be communicated through the stakeholder engagement plan to ensure that expectations remain realistic and are pro-actively managed. Transnet will initiate the formation of partnerships with relevant government departments, such as law enforcement agencies to initiate a community policing forum, to address identified areas of need.
- In order to manage the expectations of potential job-seekers and thus attempt to reduce their numbers, Transnet will advertise the approach to and requirements for employment and procurement throughout the Northern and Eastern Cape Provinces.
- Transnet will establish a stakeholder engagement plan to ensure on-going identification and management of stakeholder issues and concerns. This engagement plan will target residents from all towns. Transnet will appoint a permanent community liaison officer to interact with affected communities.
- Transnet will implement a grievance procedure that is easily accessible to local residents, and which allows complaints related to contractor or employee behaviour to be lodged and responded to. Transnet will respond in a serious manner to any such complaints. A grievance register will be maintained by Transnet.

# Residual Impact

The increased incidence of social ills is often associated with rapid change, in this case linked with in-migration and the Transnet workforce living amongst the local communities. Responses to this change can vary dramatically from person to person and can change over time. As Transnet does not intend to house its workforce and contractors, its ability to mitigate the impacts which are directly related to the project activities will be difficult. By implementing the above mentioned mitigation, together with the social tendency for people to adapt to and accommodate change, it is possible that the significance could remain moderate during the construction phase. Without mitigation, it is possible that the social ills could worsen. The pre- and post-mitigation impacts are compared in *Table 1.8* below.

Table 1.8 Pre- and Post- Mitigation Significance: Increase in Social Ills

Phase	Significance (Pre-mitigation)	Residual Impact Significance
Construction	MODERATE (negative)	MODERATE (negative)
Operation	N/A	N/A

## 1.6 IMPACT ON SENSE OF PLACE

This section assesses the impact of a change in the sense of place at the local level. This is an aspect that can be easily overlooked and difficult to asses due to the subjectivity of the impact. The section assesses the potential impacts on different groups in a community. It also highlights the impact on infrastructure and other factors such noise, traffic, dust as well as other proposed developments in the projects area, all contributing to a change in the sense of place. *Table 1.9* provides a summary of the project activity, the type of impact and the receptors or stakeholders that may be affected during the construction and operation phases of the project. *Box 1.9* and *Box 1.10* outline the assessment of the impacts on sense of place during the construction phase and operational phase respectively. *Table 1.10* outlines the significance rating of the impact before and after the implementation of mitigation measures.

Table 1.9 Impact Characteristics: Sense of Place

Summary	Construction	Operation
Project Aspect/ activity	Upgrade and construction of	Increase in the number of trains
	railway and associated	per day.
	infrastructure including access	Greater activity at level
	roads, substation, refurbishment	crossings.
	of station yards and	
	establishment of laydown areas.	
	Noise, dust and vibration	
	associated with the construction	
	activities.	
	Increase in road traffic associated	
	with the construction phase.	
	Influx of job seekers.	
Impact Type	Direct (with respect to project	Direct (with respect to project
	activities)	activities)
	Indirect (with respect to in-	Indirect (with respect to in-
	migration)	migration)
Stakeholders/ Receptors	Communities located along the	Communities located along the
Affected	railway line.	railway line.

## Construction Phase Impacts

Assessing a change in a sense of place is often difficult because it is not tangible nor can it easily be measured. It may, however, have a significant impact given the context of the area. It is also likely to be experienced differently by different groups within any community.

Most of the areas which the railway line traverses are rural and economically depressed. Agriculture is the most common economic activity practiced throughout the Eastern Cape and Northern Cape Provinces. Mining is a large contributor to the economy in the Northern Cape. The primary employment sectors are agriculture, personal services, government and social services. Many of the places in the project area are isolated and remote. Some of the remote areas visited during the public participation process included Rosmead, Golden Valley and Alicedale in the Eastern Cape and Hotazel and Hanover in the Northern Cape.

From the beginning of construction, when contractors begin project activities using large-scale machinery, the nature of the area will be affected. Construction activities will directly increase ambient air and noise pollution as well as traffic along local roads. It will also impact visually on the area. The combined activities in the project area will change the sense of place. The most likely contributors to this change are explained further below.

An **influx of people** into the area in search of employment has the potential to alter the sense of place. It is envisaged that workers on the project will not be

housed in labour camps but rather live amongst the local communities. The influx of job-seekers is usually associated with an increase in social ills as stated in *Section 1.5*. The influx can also result in an increase in cultural diversity, but simultaneously increases the potential for conflict and tension as people compete for scarce resources.

- Due to the remote nature and isolation of large parts of the project area, it is predicted that the sense of place will change during the construction phase. The construction phase activities will result in the creation of **nuisance factors**, e.g., dust, noise, vibration and an increase in traffic. It is predicted that the impact of each of the aforementioned will be negligible as reported in the specialist studies on noise, vibration and traffic (see Annex A, F and G, respectively). However, the in-combination effect on the sense of place is likely to be intensified.
- Through the stakeholder engagement process, specifically in the Northern Cape, reference was made to other proposed developments in the area. The cumulative impact of all these developments will exacerbate the impact on sense of place, should they be realised. The types of developments that were mentioned were mainly related to new or expanded mining operations in the vicinity of Postmasburg, Mamathwane and Hotazel. However, it should be borne in mind that this area is already largely transformed by mining activities, so the new developments will not be unique in the landscape or contrary to the current land use activities.
- The construction activities also have the potential to impact on the **quality of roads**, especially local secondary roads that can not handle increased volumes of heavy vehicle traffic. It is unclear what the current conditions of the roads in the affected areas are, but the quality of the roads will most likely worsen with the planned activities. This is discussed further in Annex F.

For residents less likely to benefit from the development in the area, such as the elderly, the sick, or those unable to secure employment, this change could be accompanied by a sense of loss for the "way things were", with possible mental health issues arising, such as depression. This could be heightened by the social pathologies typically associated with development in previously rural/untouched areas, e.g., increased alcohol abuse, petty crime). However, this could be countered by the increased positivity in local communities owing to opportunities associated with employment, stimulation of local businesses and longer term opportunities associated with the increase in freight transport along the railway line.

# Box 1.9 Construction Impact: Sense of Place

**Nature:** This impact is **direct** with respect to project activities and **indirect** with respect to changing demographics in the form of in-migration. The impact on the change in the sense of place will be **negative** for vulnerable groups as well as for those that will not benefit from the project. For others, a changed sense of place and the opportunities this brings will be perceived as a **positive** impact.

**Impact Magnitude:** The impact magnitude can vary from **low** to **medium** depending on the sector of the community and the location of the town within the project area.

- Extent: The extent will be experienced at the local level, throughout the project area.
- Duration: The changed sense of place in the more rural settings is expected to be permanent, beginning in construction (and possibly during pre-construction), and continuing beyond closure.
- **Intensity**: The intensity is likely to vary throughout the project area and will also vary for different sectors of the population. The intensity will thus be **low** for urban areas within the project area, **medium** for areas that would benefit from the project such as the rail hubs at De Aar and Kimberley, and **high** for remote areas.

**Likelihood: Medium -** It is highly likely that the sense of place will be impacted in many areas, albeit to varying degrees.

**Impact Significance (Pre-Mitigation):** Due to the variation in the intensity and impact magnitude, the significance could be rated as either **minor** or **moderate**.

**Degree of Confidence:** The degree of confidence is **medium** as there was no fieldwork undertaken for this assessment. Field observations and photographic logs were provided by other team members. Previous studies show that a change to the sense of place is probable.

# **Operation Phase Impacts**

The operational phase impacts relating to the change in the sense of place are largely restricted to the anticipated increase in the frequency of trains and the general increase in activity around level crossings. Noise and vibration will increase due to the increased number of train movements per day.

The increase in rail traffic will impact on movement patterns across the line. This will be significant in places where the line intersects with busy areas of towns, such as residential areas or those close to schools and clinics.

The indirect impact of the in-migration of job-seekers on the sense of place may decrease from that experienced during the construction stage. This is anticipated because most job-seekers are likely to seek work elsewhere. Some may stay behind but are likely to assimilate into the host communities.

It is also possible that a change in the sense of place could be positive. Many of the towns along the railway line have lost their vibrancy due to a reduction in the frequency of the rail service over time. It is possible that the Transnet project will inject new opportunities into the towns along the line and revive the railway hubs. This vision is reflected in the Pixely Ka Seme District Municipality Growth and Development Strategy (2007/2008) for example, which identifies the revitalisation of the De Aar railway hub as part of its proposed economic initiatives. The potential for positive change brought

about by the project was also expressed at several stakeholder engagement meetings.

The change in the sense of place will have positive impacts for those who are easily able to adapt to change and benefit from the project activities. For those that are unable to adapt, the changes may have an emotional impact, leading to a sense of alienation from a familiar environment.

# Box 1.10 Operational Impact: Sense of Place

**Nature:** The impacts are both **negative** (with respect to the inability of people, especially the elderly, to adapt to changes and benefit from the project) and **positive** (with respect to the potential of positive economic benefit and revitalisation arising from the project). The impacts are both **direct** (with respect to improved rail transport) and **indirect** (with respect to changes in movement patterns).

#### Impact Magnitude: Low

- Extent: The impact will be experienced at the local level throughout the project area.
- Duration: The duration of the impacts will be long-term.
- Intensity: The intensity could vary throughout the project area and it will also be experienced differently by the different sectors of the population. The intensity will consequently either be low or medium, depending on the ability of those impacted to adapt to change in the sense of place. It may be low for the youth and the economically active and medium for the elderly.

**Likelihood: Medium -** It is highly likely that the sense of place will be impacted.

Impact Significance (Pre-Mitigation): The impact would be minor.

**Degree of Confidence:** The degree of confidence is **medium** as there was no fieldwork undertaken for this assessment. Field observations and photographic logs were provided by other team members. Previous studies show that a change to the sense of place is probable.

## Mitigation

The objectives of mitigation are to:

- Limit, where possible, any negative changes in the sense of place, whilst enhancing the positive impacts of such a change;
- Minimise the impact of nuisance factors, e.g., vibration, noise, dust, or traffic, during the construction and operation phases; and
- Manage the influx of job-seekers.

Specific mitigation measures should include:

- Transnet will develop and implement an induction programme, including a Code of Conduct, for all employees and contractors, this will include the following:
  - Respect for local residents and customs;

- Zero tolerance of illegal activities by construction personnel including using the services of prostitutes; illegal sale or purchase of alcohol; sale, purchase or consumption of drugs; illegal gambling or fighting;
- No use of project vehicles for non-work business;
- Description of disciplinary measures for infringement of stipulated protocols;
- At a minimum, the legal speed limit should be adhered to; and
- Refer to mitigation measures for traffic, noise and dust as outlined in sections X, Y and Z.
- Transnet will develop and implement a Corporate Social Investment (CSI) Programme that clearly outlines their anticipated initiatives. These initiatives will be identified in consultation with the affected local communities. The plan will outline where projects will be implemented and what the nature of the assistance will be. This strategy will be communicated via the stakeholder engagement plan to ensure that expectations remain realistic and are pro-actively managed. Transnet will initiate the formation of partnerships with relevant government departments (e.g. law enforcement to initiate a community policing forum) to address identified areas of need.
- In order to manage the expectations of potential job-seekers and thus attempt to reduce their numbers, Transnet will advertise the approach to and requirements for employment and procurement throughout the Northern and Eastern Cape Provinces.
- Transnet will establish a stakeholder engagement plan to ensure on-going identification and management of stakeholder issues and concerns. This engagement plan will target residents from all towns. Transnet will appoint a permanent community liaison officer to interact with the communities.
- Transnet will implement a grievance procedure that is easily accessible to local residents, and which allows complaints related to contractor or employee behaviour to be lodged and responded to. Transnet will respond in a serious manner to any such complaints. A grievance register will be maintained by Transnet.

## Residual Impact

The construction and operation phase activities will impact on the sense of place of the project area by increasing the nuisance factors associated with the project activities and in-migration. The mitigation measures will best be able to address the project related factors and are less likely to change the factors associated with in-migration. The rating after mitigation could increase from

one of minor positive (due to increased economic opportunities) to moderate positive during construction. The moderate negative impact significance during construction for elderly and vulnerable groups is likely to remain unchanged. The mitigation measures during construction will not be enough to change the residual impact, as the minimum amount of disturbance (and associated impact on the sense of place) will be sizeable. The mitigation measures for the operation phase will reduce the negative impact to negligible for the elderly and vulnerable groups. The positive minor impacts are likely to remain the same for those that will be able to benefit from the project. The pre- and post-mitigation impacts are compared in *Table 1.10* below.

 Table 1.10
 Pre- and Post- Mitigation Significance: Sense of Place

Phase	Significance (Pre-mitigation)	Residual Impact Significance
Construction	MINOR (positive) (Due to	MODERATE (positive)
	increased economic	
	opportunities)	
	MODERATE (negative) (For	MODERATE (negative)
	the elderly and vulnerable)	
Operation	MINOR (positive) (Due	MINOR (positive)
	positive economic spin-offs)	
	MINOR (negative) (For the	NEGLIGIBLE (negative)
	elderly and vulnerable)	

# 1.7 LAND ISSUES RELATED TO THE PROJECT

The land requirements for the proposed railway upgrade have not yet been defined by Transnet. As such, it was not possible to assess the direct localised impacts of the proposed development on specific land parcels. In this section we reflect on key issues of a general nature regarding this matter. A detailed and nuanced assessment can only be undertaken once the affected land parcels have been identified by Transnet.

Land acquisition is a sensitive process and can have major negative impacts on economic and livelihood activities, as well as on infrastructure. If this process is poorly managed, the potential consequences could be significant. Some of the potential issues related to land matters are outlined below.

- Some of the twenty-nine loop sites may **require additional land** for the construction and extension of the loops. Transnet has indicated that it intends buying land from land owners in order to access the additional land required. This could have an impact on the productivity of the land should the land be farm land. There are numerous land uses and land owners in the project area. At present it is unclear what the land use is of the additional land required as the extent and location of the additional land is not known. The impact of the expropriation of land will vary for the respective land owners.
- The land needed may be subject to **land claims**. This has not yet been confirmed given that Transnet's land requirements have not yet been

finalised. There remains a considerable number (555) of outstanding land claims in the Eastern Cape. While the Northern Cape has settled in excess of 90 percent of its land claims, 212 claims remain outstanding. The majority of the loops are in the Eastern Cape with only six of the total twenty-nine proposed loops located in the Northern Cape. This, therefore, increases the possibility that there may be portions of the project area subject to land claims.

• There are **families living on Transnet land** in old Transnet buildings at Rosmead. It is uncertain whether this situation is repeated elsewhere along the project route. Transnet has rented its buildings at Rosmead to the existing residents, although not all have formal contracts. Should Transnet require that these families relocate, it could have a significant impact on the people occupying the buildings. The impacts of the potential move will also depend on the site where they will be moved to and the services available to them. Previous experience suggests that older people will find it harder to adapt to change should they be required to move.

## Proposed Responses to Issues Raised

Once the Transnet corridor (boundaries of the rail reserve) has been clearly defined by the surveyors, Transnet will need to identify the various land uses and the associated land ownership throughout the proposed project area. At that point, it will be necessary to determine the following through further investigation:

- formal and informal economic/livelihood activities on land beyond Transnet's corridor but that will be required for the proposed upgrade;
- formal and informal economic/livelihood activities within the Transnet corridor;
- infrastructure located within the proposed corridor, including rented Transnet buildings; and
- any relevant land claims.

Once these have been clearly identified, mechanisms will need to be put in place for Transnet to acquire and/or rezone the needed portions, or to provide compensation for lost economic and physical resources. The specific impacts and relevant mitigation mechanisms should be defined (potentially with the assistance of an external specialist) and managed in accordance with the law and best practice standards. Three potentially relevant pieces of legislation are:

- The Expropriation Act, No. 63 of 1975 (as amended);
- The Rental Housing Act, No. 50 of 1999; and
- Prevention of Illegal Eviction From and Unlawful Occupation of Land Act, No. 19 of 1998.

# 1.8 MANAGING STAKEHOLDER RELATIONS AND EXPECTATIONS

Through the engagement process, it became clear that local residents have a range of expectations related both to the proposed project as well as to Transnet. Some of these expectations will be met through the project activities, while others are unlikely to be met. These expectations should be pro-actively managed in order to nurture strong and trusting relationships between Transnet and the project stakeholders. By actively identifying and addressing expectations and concerns the levels of dissatisfaction can be reduced and potential conflict can be avoided or minimised. Some of the expectations and concerns raised are outlined below.

## Key Issues

- Many residents of the affected towns anticipate employment
   opportunities, particularly for the youth. In general, community
   members are not fully aware that the employment opportunities will be
   limited in number and be of short duration. They consequently anticipate
   positive economic benefits arising from the project. This perception
   needs to be managed. There is also an expectation that this project will
   provide work for ex-Transnet employees living in the towns.
- There is an expectation that people, other than those employed, will receive training.
- With limited work opportunities available in the area, migrants could be considered a threat to locals as they would be competing for the same limited resources and job opportunities. Transnet should avoid creating tensions between locals and migrants that may result from employing non-local people.
- The temporary nature of jobs during the construction phase can result in the deepening of the **debt burden** on poor households. People who gain employment on the project will be in a position to access credit. Without previous experience of managing a regular income; it is common that debt is incurred to acquire goods and services that were formerly beyond the reach of those now enabled. Once the income stream generated from the project ceases they are unlikely to be able to repay the debt incurred.
- While the influx of job-seekers may result in an increase of cultural diversity, it may also increase the potential for conflict as people compete for scarce resources. In the past year South Africa has experienced high levels of xenophobic violence with part of the reasons for the surge of violent attacks being rooted in poor communities competing for limited resources and services with migrants. Attention should, therefore, be paid to the development of tension between locals and migrant job seekers.
- In early 2008 South Africa experienced nationwide power cuts as a result of acute shortages in **electricity supply**. The shortage of electricity

remains a serious concern. A concern raised during the public consultation process was that the increased pressure on electricity supply (by project activities and in-migration) would cause more power cuts.

• Local residents anticipate that Transnet will address some **key local infrastructural needs** as part of its Corporate Social Investment (CSI)

Programme. Pressure on existing infrastructure within the project area is caused by a growing population and the lack of improvements in the current infrastructure. Health care and education facilities are poorly maintained and under resourced with respect to personnel and equipment. Access to piped water and sanitation are two other key needs within the communities. Upgrades to infrastructure and services as linked to project activities and CSI programmes would be seen by stakeholders as a major benefit associated with the project should Transnet choose to implement such a programme.

## Proposed Responses to Issues Raised

By way of addressing the issues discussed above, Transnet should consider a number of key management responses, as outlined below.

As indicated elsewhere, Transnet should establish a **stakeholder engagement plan** to ensure the on-going identification and management of issues. A range of communication tools can be used to appropriately target issues or communicate general information. Stakeholders should be kept informed about the project activities and timeframes. Information dissemination must be timely, complete and accurate. This engagement plan should target residents from all towns in the project area. Transnet will need to appoint permanent community liaison officers throughout the project area that are able to interact with the communities. The perceptions of stakeholders can change at any time. Consequently, it is important that Transnet continually engage with them in order to remain aware of their attitudes and perceptions. If stakeholders believe that they can communicate effectively with Transnet and that their issues are dealt with appropriately, they are less likely to contact the media, authorities or NGOs with their complaints.

Linked to the stakeholder engagement plan Transnet should implement a **grievance procedure** that is easily accessible to local community members, and which allows complaints related to contractor or employee behaviour to be lodged and responded to. Transnet should respond in a serious manner to any such complaints. A grievance register should be maintained by Transnet.

Local residents' expectations of Transnet will continue to grow over time. It will not be possible for Transnet to deliver on all community and stakeholder expectations; hence a **CSI Programme** should be developed that clearly outlines the anticipated initiatives. These initiatives will need to be identified in consultation with the local communities. The programme should outline what the nature of interventions will be and how the investment projects will be distributed through the project area. This programme should be

communicated to stakeholders/ local residents to ensure that their expectations remain realistic and well-managed. Examples of potentially relevant programmes could include community policing, financial management, and the drilling of boreholes.

The concept of 'local' should be clearly defined as many of the mitigation measures and recommendations emphasise the use of local labour, goods/services and benefits to local people. This concept should be defined together with a range of project stakeholders.