SOCIAL IMPACT ASSESSMENT (SIA)
BASELINE REPORT FOR THE
PROPOSED SANRAL NELSPRUIT-
MBOMBELA ROAD

31 July 2012
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EXECUTIVE SUMMARY

This Social Impact Assessment Baseline Report is compiled for the proposed Mbombela Nelspruit road. The proposed development is planned within the Mbombela local municipality, within the Ehlanzeni District Municipality in the Mpumalanga Province. The SIA is part of the Specialist input towards an overall current Environmental Impact Assessment process underway.

While specific social impacts are inferred through scrutinising the current social environment, its receptors and identifying potential impact drivers, macro economic impacts are gleaned through a similar exercise. A short summary of the results will be encompassed below, following the conclusion of the SIA.
1 INTRODUCTION

SSI Environmental has been commissioned by Endecon Ubuntu Engineering Consultants (on behalf of the South African National Roads Agency SOC Limited (SANRAL)) to manage the process of obtaining an Environmental Authorisation from the relevant environmental authorities as part of the review of the route determination / design of P166-1/2 at Mbombela / Nelspruit.

As part of the EIA application, a social baseline assessment has been undertaken. Later, a full Social Impact Assessment will be delivered to support the EIA application. This Report constitutes the Social baseline for the EIA Scoping Study.

1.1 Project Context and Background

The proposed new route P166-1/2 will run in parallel to the R40 road to White River in a northerly direction from Mbombela. The section of the P166-1/2 under review starts at Maggiesdal, South of Nelspruit, where there is an interim connection to the R40-2 and it ends North of White River where it meets the R40-4. The route is approximately 45 kilometres long, and follows an alignment in close proximity to newly established townships and planned areas of development.

FIGURE 1-1 : SITE MAP
2 LEGISLATION AND POLICIES

This SIA is part of the Specialist input towards an overall current Environmental Impact Assessment. It is important to understand the national backdrop against which social and economic development is proposed, and this we try to ascertain through a review of various national and local level strategic plans and policies.

2.1 South Africa’s Millennium Development Goals

There are eight development priorities, termed the Millennium Development Goals (MDGs). The eight Millennium Development Goals which range from halving extreme poverty to halting the spread of HIV/AIDS and providing universal primary education form a blueprint agreed to by all the world’s countries and all of the leading developmental institutions in the world. As a member state of the United Nations, South Africa is a signatory to this agreement. The eight MDGs, in their numerical order, are:

1) To eradicate extreme poverty and hunger
2) To achieve universal primary education
3) To promote gender equality and empower women
4) To reduce child mortality
5) To improve maternal health
6) To combat HIV/AIDS, malaria and other diseases
7) To ensure environmental sustainability
8) To develop a global partnership for development

(Country Report 2010, UNDP)

The New Partnership for Africa’s Development (NEPAD) was launched in 2002 and was designed to address the current challenges facing the African continent. Issues such as the escalating poverty levels, underdevelopment and the continued marginalisation of Africa are seen to need radical intervention. The NEPAD, states that it is spearheaded by African leaders to develop a new vision that would guarantee Africa’s renewal.

The primary objectives of NEPAD are:

- To eradicate poverty;
- To place African countries, both individually and collectively, on a path of sustainable growth and development;
- To halt the marginalisation of Africa in the globalisation process and enhance its full and beneficial integration into the global economy; and
- To accelerate the empowerment of women.
2.1.1 South Africa’s Medium Term Strategic Framework

The Medium Term Strategic Framework (MTSF) (MTSF 2009-2014) is a statement of government intent. It identifies the development challenges facing South Africa and outlines the medium term strategy for improving living conditions of South Africans. The MTSF base document is meant to guide planning and resource allocation across all spheres of government. National and provincial departments in particular need to develop their five year strategic plans and budget requirements, taking into account the medium-term imperatives. Similarly, informed by the MTSF and their 2006 mandates, municipalities are expected to adapt their integrated development plans in line with the national medium-term priorities (UNDP Country Report 2010).

The MTSF’s strategic priorities are captured in the table below.

TABLE 2-1: LINKAGE BETWEEN MTSF AND MDGS

<table>
<thead>
<tr>
<th>MTSF STRATEGIC ELEMENTS</th>
<th>RELEVANT MDGs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Strategic Priority 1: Speeding up growth and transforming the economy to create decent work and sustainable livelihoods</td>
<td>MDG 1, MDG 2, MDG 3, MDG 8</td>
</tr>
<tr>
<td>2. Strategic Priority 2: Massive programme to build economic and social infrastructure</td>
<td>MDG 1, MDG 3, MDG 8</td>
</tr>
<tr>
<td>3. Strategic Priority 3: Comprehensive rural development strategy linked to land and agrarian reform and food security</td>
<td>MDG 1, MDG 2, MDG 7</td>
</tr>
<tr>
<td>4. Strategic Priority 4: Strengthen the skills and human resource base</td>
<td>MDG 2</td>
</tr>
<tr>
<td>5. Strategic Priority 5: Improve the health profile of all South Africans</td>
<td>MDG 4, MDG 5, MDG 6</td>
</tr>
<tr>
<td>6. Strategic Priority 6: Intensify the fight against crime and corruption</td>
<td>MDG 2, MDG 3</td>
</tr>
<tr>
<td>7. Strategic Priority 7: Build cohesive, caring and sustainable communities</td>
<td>MDG 2, MDG 3, MDG 7</td>
</tr>
<tr>
<td>8. Strategic Priority 8: Pursuing African advancement and enhanced international cooperation</td>
<td>MDG 8</td>
</tr>
<tr>
<td>9. Strategic Priority 9: Sustainable resource management and use</td>
<td>MDG 2, MDG 3, MDG 7</td>
</tr>
<tr>
<td>10. Strategic Priority 10: Building a developmental state, including improvement of public services and strengthening democratic institutions</td>
<td>MDG 1, MDG 2, MDG 3, MDG 8</td>
</tr>
</tbody>
</table>

Source: UNDP Country Report 2010

2.2 South Africa’s Accelerated and Shared Growth Initiative (AsgiSA)

ASGI-SA which is one of South Africa’s government programmes is structured around the following key interventions:

- Bulk infrastructure investments through all three spheres of Government, State Owned Enterprises and Public-Private Partnerships;
- Immediate, top and medium priority investments in specially selected sectors of the economy;
- The building of Human Capital from very basic primary school infrastructure to tertiary education level;
- Provision for a Joint Initiative on Priority Skills Acquisition (JIPSA);
• Special focused Second Economy Interventions that incorporate youth, women and people with disabilities in sector investment strategies,
• mass roll out of the Expanded Public Works Programme, Small Micro and Medium Enterprises promotion and Micro credit facilities; and
• Strengthening Governance and Institutional arrangements for service delivery.

2.3 The Constitution of the Republic of South Africa (Act No.108 of 1996)

The Constitution defines the role of the public in the activities of all three spheres of government, namely national, provincial and local government (Sections 59, 72, 118, 152 and 154). Section 59 refers to the National Assembly, Section 72 refers to the National Council of Provinces and Section 118 refers to the Provincial Legislature. These Sections state that public involvement in the legislative and other processes of the Assembly/ Council/ Legislature must be facilitated, where its business is in an open and public manner. Section 152 of the Constitution states that one of the objects of local government is to encourage the involvement of communities and community organisations in its matters; whilst Section 154 states the requirement that draft provincial and national legislation be published for public comment and feedback. Chapter 10 of the Constitution (Section 195) states that the basic values and principles governing public administration include encouraging public participation in policy-making and responding to public need.

Chapter 3 (Section 40) requires all spheres of government to adhere to the principles (Section 41) of cooperative governance by informing one another of, and consulting one another, on matters of common interest and providing effective, transparent, accountable and coherent governance for the Republic as a whole.

2.4 Regional level Plans, Policies and Strategies

2.4.1 Draft Mpumalanga Growth & Development Path (MGDP) 2011

The overarching aim and primary goal for growth and development in Mpumalanga, like the rest of South Africa, is that of replacing apartheid divisions, inequality and impoverishment with a more equitable and inclusive economy. It is envisaged that this will be achieved by fostering economic growth that creates jobs, reduces poverty and inequality in the Province.

The DMGDP (2011) identifies and recognises the following key economic sectors (of which energy is included) which need to be supported as keys to spur economic growth and employment creation in the region:

• Agriculture and forestry;
• Mining and energy;
• Manufacturing and beneficiation; and
• Tourism and cultural industries.
3 SOCIO-ECONOMIC BASELINE

This Section addresses the presentation and analysis of social and economic data for provincial, municipal and key areas in close proximity to the proposed development area. The development area lies within the Mbombela Local Municipality, which in turn forms part of the Ehlanzeni District Municipality in the Mpumalanga province of South Africa.

3.1 South Africa

According to the United Nations Development Program (UNDP) produced Millennium Country Report 2010, indicator values for South Africa, are recorded as:

- Real GDP (2007) R1,750 billion or $248 billion;
- Real GDP per capita (2007) R36,461 or $5,168;
- Adult Literacy Rate: Male – 87.2; Female – 86.9;
- Population Total: 49,320,500;
  - Male: 23,868,700,
  - Female: 25,451,800,
- Age: 0–14 years 15,500,700 and 15–34 years 18,447,000;
- Household size: 13.8 million with an average 3.6 persons;
- Land surface area: 1,220,813 km²;
- Provinces: Gauteng, KwaZulu-Natal, North West, Limpopo, Free State, Mpumalanga, Eastern Cape, Western Cape, Northern Cape;
- Key economic sectors: Mining services, transport, energy, manufacturing, tourism, agriculture;
- Official languages: English, isiZulu, isiXhosa, isiNdebele, Afrikaans, siSwati, Sepedi, Sesotho, Setswana, Tshivenda, Xitsonga; and
- Government Constitutional: multiparty, three spheres (local, provincial, national) democracy.

3.1.1 South African Poverty Indicators

New estimates of poverty show that the proportion of people living in poverty in South Africa has not changed significantly between 1996 and 2001. However, those households living in poverty have sunk deeper into poverty and the gap between rich and poor has widened. Approximately 57% of individuals in South Africa were living below the poverty income line¹ in 2001, unchanged from 1996 (HSRC, Poverty Fact Sheet, 2004).

While the poverty rate measures the proportion of a region’s population living below the poverty line it does not give any indication of how far below the poverty line poor households are. For this the Human Sciences Research Council (HSRC) has used a measure called the poverty gap that measures the required annual income transfer to all poor households to bring them out of poverty. The HSRC study has shown that the poverty gap has grown from R56-billion in 1996 to R81-billion in 2001 indicating that poor households have sunk deeper into poverty over this period.

¹ The poverty income line refers to a measure of a number of poverty indicators (such as access to services, welfare, income and expenditure, etc)
TABLE 3-1 : POVERTY INDICATORS BY PROVINCE

<table>
<thead>
<tr>
<th>Province</th>
<th>No. of poor persons (million)</th>
<th>% of population in poverty</th>
<th>Poverty gap (R billion)</th>
<th>Share of poverty gap</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eastern Cape</td>
<td>4.6</td>
<td>72%</td>
<td>14.8</td>
<td>18.2%</td>
</tr>
<tr>
<td>Free State</td>
<td>1.8</td>
<td>68%</td>
<td>5.9</td>
<td>7.2%</td>
</tr>
<tr>
<td>Gauteng</td>
<td>3.7</td>
<td>42%</td>
<td>12.1</td>
<td>14.9%</td>
</tr>
<tr>
<td>KwaZulu-Natal</td>
<td>5.7</td>
<td>61%</td>
<td>18.3</td>
<td>22.5%</td>
</tr>
<tr>
<td>Limpopo</td>
<td>4.1</td>
<td>77%</td>
<td>11.5</td>
<td>14.1%</td>
</tr>
<tr>
<td>Mpumalanga</td>
<td>1.8</td>
<td>57%</td>
<td>7.1</td>
<td>8.7%</td>
</tr>
<tr>
<td>North West</td>
<td>1.9</td>
<td>52%</td>
<td>6.1</td>
<td>7.5%</td>
</tr>
<tr>
<td>Northern Cape</td>
<td>0.5</td>
<td>61%</td>
<td>1.5</td>
<td>1.8%</td>
</tr>
<tr>
<td>Western Cape</td>
<td>1.4</td>
<td>32%</td>
<td>4.1</td>
<td>5.0%</td>
</tr>
<tr>
<td>South Africa</td>
<td>25.7</td>
<td>57%</td>
<td>81.3</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Source: HSRC, Poverty Fact Sheet, 2004

To measure inequality the HSRC have used the Gini coefficient\(^2\), which can vary from 0 in the case of a highly even distribution of income, to 1 in the case of a highly unequal distribution. South Africa’s Gini coefficient rose from 0.69 in 1996 to 0.77 in 2001. While historically South Africa has had one of the most unequal distributions of income in the world, this rise is likely to place it at the top of the world rankings (HSRC, Poverty Fact Sheet, 2004). In 2006, the Worldbank lists South Africa’s Gini coefficient at 0.67 (http://en.wikipedia.org/wiki/List_of_countries_by_income_equality).

In the past, inequality in South Africa was largely defined along race lines. It has become increasingly defined by inequality within population groups as the gap between rich and poor within each group has increased substantially. According to the HSRC (in HSRC, Poverty Fact Sheet, 2004), the Gini coefficient for the African population has risen from 0.62 in 1991 to 0.72 in 2001. This level of inequality is comparable with the most unequal societies in the world. The white population has a Gini coefficient of 0.60, which is considered extremely high for a group whose education and occupational profile matches that of societies in highly industrialised countries.

3.2 The Mpumalanga Province

Mpumalanga lies in eastern South Africa, north of KwaZulu-Natal and bordering Swaziland and Mozambique. It constitutes 6.5% of South Africa’s land area. In the north it borders on Limpopo, to the west Gauteng, to the southwest the Free State and to the south KwaZulu-Natal. The capital is Nelspruit (recently renamed to Mbombela). Mpumalanga province is divided into three municipal districts, which are further subdivided into 17 local municipalities.

3.2.1 Mpumalanga’s Social and Economic Challenges

According to the statistics provided in the DMGDP (2011), the unemployment rate in Mpumalanga is standing at approximately 28%. The aim is to reduce the unemployment rate to 15% by 2020. Accordingly, the province aims to create approximately 719 000 jobs over a period of ten years, moving from 890 000 currently employed

\(^2\) The Gini coefficient is perhaps the best known inequality measure and can be derived from the Lorenz curve. Mathematically the Gini coefficient varies between zero and one, although in reality, values usually range between 0.20 and 0.30 for countries with a low degree of inequality and between 0.50 and 0.70 for countries with highly unequal income distributions.
individuals to 1,609,656 employed individuals within the next ten years (DMGDP, 2011). The province further aims to increase the income level of 620,000 individuals above the poverty line by 2020 and to increase the Human Development Index (HDI) from the current level of 0.50 to a higher level over the next ten years. This will be achieved by increasing the literacy level from the current 40,000 individuals per annum to 63,000 individuals per annum and increasing the percentage of life expectancy from 51 years to 62 years. In addition to this, the Province intends to reduce the Gini-coefficient from 0.65 to 0.55 by 2020. These broad objectives may be achieved if the provincial economy growth rate is around five and seven percent per annum, which is the target set (DMGDP, 2011).

Mpumalanga, like the rest of South Africa, continues to face the challenge of overcoming the inequalities and discrepancies created by the Apartheid regime. These challenges include the lack of basic services, continued and widespread poverty, lack of education, increased mortality rates and HIV/AIDS, rapid urbanisation, high unemployment rates and low economic indicators. According to Statistics South Africa, the unemployment rate for the province at the end of the third quarter of 2012 was 25.3% (Nkangala IDP, 2011-2016).

In addition to these challenges, there are noticeable variations in the distribution of the population in Mpumalanga which creates numerous challenges. The province is characterised by geographical disparities and dispersed settlement patterns which present challenges for timely and efficient service delivery. The dispersed nature of settlements further raises the costs of delivery and infrastructure provision (Nkangala IDP, 2011-2016).

3.2.2 The Provincial Economy

3.2.2.1 Mining
Extensive mining is done and the minerals found include: gold, platinum group metals, silica, chromite, vanadiferous magnetite, argentiferous zinc, antimony, cobalt, copper, iron, manganese, tin, coal, andalusite, chrysotile asbestos, kieselguhr, limestone, magnesite, talc and shale. Gold was first discovered in Mpumalanga province in 1883 by Auguste Roberts in the mountains surrounding what is now Barberton. Gold is still mined in the Barberton area today.

Mpumalanga accounts for 83% of South Africa’s coal production. 90% of South Africa’s coal consumption is used for electricity generation and the synthetic fuel industry. Coal power stations are in proximity to the coal deposits. A coal liquefaction plant in Secunda (Secunda Coal to Liquid) is one of the country’s two petroleum-from-coal extraction plants, which is operated by the synthetic fuel company, Sasol (http://en.wikipedia.org/wiki/Mpumalanga).

3.2.2.2 Agriculture
The climatic contrasts between the drier Highveld region, with its cold winters, and the hot, humid lowveld allow for a variety of agricultural activities. More than 68% of Mpumalanga is utilised by agriculture. Crops include maize, wheat, sorghum, barley, sunflower seed, soybeans, groundnuts, sugar cane, vegetables, coffee, tea, cotton, tobacco, citrus, subtropical and deciduous fruit. Forestry is extensive around Sabie in the far north of the province. Located near the forests, Ngodwana is the site of one of South Africa’s largest paper mills (Sappi). Natural grazing covers approximately 14% of Mpumalanga. The main products are beef, mutton, wool, poultry and dairy. (http://en.wikipedia.org/wiki/Mpumalanga).

3 The Human Development Index (HDI) is a comparative measure of life expectancy, literacy, education and standards of living for countries worldwide. It is a standard means of measuring well-being, especially child welfare. It is used to distinguish whether the country is a developed, a developing or an under-developed country, and also to measure the impact of economic policies on quality of life (http://en.wikipedia.org/wiki/Human_Development_Index).
3.2.2.3 Tourism

Mpumalanga is also a popular tourism destination. Kruger National Park, established in 1898 for the protection of lowveld wildlife, covering 20,000 square kilometres (7,700 sq mi), is a popular destination. The other major tourist attractions include the Sudwala caves and the Blyde river canyon.

The various towns in the region have much to offer, with emphasis on both historical sites and adventure vacations. Mountain and quad biking, horse trails, river rafting and big game viewing are endemic to the region. Mpumalanga is also noted as “Big Five territory,” that is, where the famed five mammals have been given prominence (lion, african elephant, cape buffalo, leopard, and rhinoceros)⁴. The towns in the Lowveld, comprise of Barberton, Mbombela, White River, Sabie, Graskop. Hazyview, Malelane, Pilgrim’s Rest, Lydenburg and Nkomazi. In 2008 a Haute Cuisine route was formed, trickling from Mbombela down to Hazyview. (http://en.wikipedia.org/wiki/Mpumalanga).

3.3 The District Municipality

Ehlanzeni District Municipality is the most eastern district of the province of Mpumalanga. It is bordered by Swaziland and Mozambique in the east, Limpopo Province in the north, Gert Sibanda District in the south and Nkangala District in the west. It consists of five local municipalities: Mbombela, Thaba Chweu, Nkomazi, Umjindi and Bushbuckridge, which became part of the district after the government decision to phase out cross-boundary municipalities in 2006. (South African LED Network, http://led.co.za/)

The majority of the population lives in formal urban areas, or in villages in the tribal areas. Ehlanzeni District has the highest population density in Mpumalanga. The estimated population density varies substantially between the five municipalities with Mbombela and Bushbuckridge having the highest densities and Umjindi and Thaba Chweu the lowest.

According to the Provincial Integrated Spatial Framework, Ehlanzeni area has the largest population with an urbanisation level of 17%. Nelspruit, Hazyview, Barberton, White River and Malelane are the biggest urbanised areas in Ehlanzeni district. The administrative capital of the province is Nelspruit, which is found in this area. Service centres in this area are Barberton, Hazyview and White River, with a diverse economic base and a strong focus on the agricultural sector. Other service centres in the Ehlanzeni area are Nkomazi, Mapulaneng and Lydenburg. The tourism and forestry centres include Sabie, Graskop, and Pilgrim’s Rest. (Ehlanzeni IDP 2010-2011)

The municipality consists of 9 Traditional Authorities situated in the eastern Nsikazi area. (Mbombela SDF 2009-2030). However none of these areas are within the project development area. They are:

- Gutshwa Traditional Authority
- Lomshiyo Traditional Authority
- Masoyi Traditional Authority
- Mbuyane Traditional Authority
- Mduluni Traditional Authority

⁴ The members of the Big Five were chosen for the difficulty in hunting them and the degree of danger involved, rather than their size (http://en.wikipedia.org/wiki/Big_Five_game)
• Mpakeni Traditional Authority
• Msogwaba Traditional Authority
  Nkambeni Traditional Authority
• Kgarudi Traditional Authority

3.3.1 Social and Economic Characteristics

According to the 2007 Community Survey there are 1,526,236 people and 387,317 households in the District. Of these households are in formal dwellings while 4.2% constitute informal housing structures (2007 Community Survey). Almost 70% (69%) of households were owned and fully paid off (2007 Community Survey). Ehlanzeni, has 53% or 805,752 of its population within the female category while there is a recorded 47% (or 720,484) males in the District. The male/female ratio is 89 males for every 100 females.

According to the Ehlanzeni IDP 2010-2011, the population of Ehlanzeni increased by 5.47% between 2001 and 2007, that is the population grew from 1,447,053 to 1,526,236 people.

Source: Mbombela IDP 2012

FIGURE 3-1: EHLANZENI DISTRICT POPULATION GROWTH

HIV/AIDS infection rates recorded in 2008 are presented in the pie graph below. Mbombela is in a very vulnerable position due to its high infection rate, that is, 37.1% of the total Ehlanzeni District population.
With respect to schooling in the District, 6.7% of the population has a higher education and 29.5% has secondary schooling. The Ehlanzeni IDP states that there is a need more tertiary institutions in the District in the attempt that this would improve access to tertiary education and will draw scarce skills into the province through research and other development initiatives. (Ehlanzeni District IDP 2010-2011).

According to the 2007 Community Survey 49.2% of households did not record having an income, 23.9% earned incomes between R1 – R1400 and 10% earned between R801 to R1,600 per month. The Figure below shows that the District has within its jurisdiction 44.4% of ‘not economically active’ participants in the economy. Unemployment rates in the District have remained on par with the Province’s rates. Both experienced a peak in unemployment in the 2002/ 2003 years. Unemployment rates in 2008 in the District remained at least 3.3% below the provincial rate (Ehlanzeni District IDP 2010-2011).
The figure below presents the occupational categories prevalent in the Ehlanzeni District. Most employed individuals occupy elementary positions (19.0% of the employed population, or 65,969 individuals), while the two other largest occupations are ‘unspecified’ (over 14% or 46,654 individuals) and craft and related trade work (over 13% or 44,948 individuals).

![Occupational Profile in Ehlanzeni 2007](image)

**FIGURE 3-4: OCCUPATIONAL PROFILE OF EHLANZENI’S POPULATION**

### 3.3.2 Key Strengths in the Ehlanzeni District

Ehlanzeni District includes both Lowveld and escarpment country. Agriculturally, the area has much to offer. An abundance of citrus fruit and other subtropical fruits - mangoes, avocados, guavas, paw-paws, litchis, bananas and granadillas - as well as sugar cane, pecan and macadamia nuts and many types of vegetables are cultivated. Nelspruit, the Provincial capital, is the second largest citrus-producing area of South Africa and is responsible for a third of the country's export of oranges. (South African LED Network)

The Ehlanzeni SMME Development and Support Plan 2009-2014 shows the number of SMME’s within Ehlanzeni District along with the sectors they are found in. This is found in the table below.

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5 Unspecified may refer to informal work
TABLE 3-2 : PERCENTAGE SMME SECTORAL REPRESENTATION

<table>
<thead>
<tr>
<th>SMME Scope</th>
<th>Total No. of SMMEs within Sector</th>
<th>Sectoral Representation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>88</td>
<td>4.24%</td>
</tr>
<tr>
<td>Mining</td>
<td>4</td>
<td>0.19%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>105</td>
<td>5.06%</td>
</tr>
<tr>
<td>Construction</td>
<td>156</td>
<td>7.52%</td>
</tr>
<tr>
<td>Trade</td>
<td>1236</td>
<td>59.60%</td>
</tr>
<tr>
<td>Transport</td>
<td>55</td>
<td>2.65%</td>
</tr>
<tr>
<td>Electricity</td>
<td>23</td>
<td>1.11%</td>
</tr>
<tr>
<td>Finance Services</td>
<td>102</td>
<td>4.90%</td>
</tr>
<tr>
<td>Community Services</td>
<td>305</td>
<td>14.71%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2078</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

3.4 The Mbombela Local Municipality

Mbombela is one of 5 local municipalities situated within the Ehlanzeni District Municipality, which also includes part of the Kruger National Park. The municipality is divided into 5 zones namely, Nelspruit A, Nelspruit B, Nelspruit C, Hazyview and Nsikazi. These municipal zones are based on the latest ward delineation which came into effect on 18 May 2011. The municipal wards increased from 36 to 39 and part of Kruger National Park fall within the municipal area as Ward 39. (Mbombela SDF 2012). The project study areas (extent of the proposed road) fall within Ward 14 and Ward 30 of the Mbombela LM.

The Mbombela LM records a 2007 population of 137,353 out of a total District population of 387,317. (2007 Community Survey). MLM has the largest population size within the Ehlanzeni District. It constitutes 35% of the total District’s population, with the rest of the municipalities constituting 65%.

Mbombela Local Municipality is generally not affected by the illegal occupation of land near towns and therefore there are no slums in the main towns. In 2005 there was an attempt by communities living in the periphery to invade a privately owned piece of land (Dingwell farm) situated close to White River. This may well be an indication that there is a need to embark on interventions that will integrate these communities with urban centers. The Mbombela Local Municipality is comprised of non-formalised settlements (Tribal land or R118 towns), townships (R293 towns), formalised towns around town centres and farm land. (Manikela, Research Report 2008).

3.4.1 Social Characteristics

3.4.1.1 Demographics

The population of the municipality is growing rapidly. The census count of 2001 revealed that the total population was 476,593 and has increased to 527,203 during the census count of 2007 (Stats SA, 2007). This implies that there was an increase of 10, 6% from 2001 and 2007. According to the Stats SA, 2007, the household size has increased by 25,127, from 112,226 in 2006 to 137,353 household in 2007 respectively. The average household number in recorded as 3.84 members per household (Mbombela IDP 2012-2017).
3.4.1.2 Service Provision
According to the household survey of 2007, 86.8% of households were recorded as formal households, with 4.3% falling into the ‘informal’ household category. 59.4% Of houses are owned and fully paid off, with 13.2% rented, and 18.6% occupied rent free. (2007 Community Survey).

With regards to basic service provision; 53.3% of households utilise a pit latrine with 8.7% recorded as having no toilet and over 35% have flush toilets. Of the 91.5% of households that have some form of piped water, 40.9% have water piped into the dwelling, 29.2% utilise water from pipes within the property, and 21.4% access water via pipes (standpipes) found outside the property. 85.2% Of households in the LM use electricity for lighting, as compared to a provincial average of 61.1%. 73.6% Of households utilise electricity for cooking with 61.8% using electricity for heating purposes. Only 29.2% of households responded positively to having refuse removal services (whether private or government provided). (2007 Community Survey).

3.4.1.3 Education and Health Levels and Facilities
According to Stats SA (2007), the level of education in the municipality is very low. Approximately 11.32% of the sampled population of 527 204 have no schooling, 27.67% completed primary education, 6.11% completed primary education (Grade 1-7), 13.22% completed secondary education and 8.71% completed higher education. The Mbombela IDP reports that it has within its LM the following educational facilities:

- 151 public primary schools
- 59 public secondary schools
- 25 independent (private) schools
- 5 tertiary institutions

The number and types of amenities found in the LM is captured in the table below:

<table>
<thead>
<tr>
<th>Amenities</th>
<th>Total amenities</th>
<th>Hazyview</th>
<th>Nelspruit A</th>
<th>Nelspruit B</th>
<th>Nskazi</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Halls</td>
<td>24</td>
<td>2</td>
<td>5</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>Cultural centres</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Theatres/ Amphitheatre</td>
<td>2</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Libraries</td>
<td>10</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Sports Fields</td>
<td>9</td>
<td>1</td>
<td>4</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Swimming Pools</td>
<td>5</td>
<td>2</td>
<td>3</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Multi-purpose sports courts</td>
<td>9</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>9</strong></td>
<td><strong>19</strong></td>
<td><strong>16</strong></td>
<td><strong>14</strong></td>
<td></td>
</tr>
</tbody>
</table>

Mbombela has two district hospitals (Rob Ferreira and Themba), one TB hospital (Bongani) and three private hospitals. There is at least one government health care facility every 5- 10 kms. However the level of services provided is limited. Facilities are under-resourced, with insufficient health education programmes. The recording of vital information such as births and deaths is lacking, making it more difficult for basic services provision. (Mbombela IDP 2012-2017)

HIV/AIDS still remains the biggest challenge. According to a Department of Health Survey (2009) in the Mbombela IDP 2012-2017, Mbombela has an HIV prevalence rate of 43%. It is the second highest in the
Ehlanzeni District. There are 29 clinics providing health services, two being accredited. The municipality has a HIV/AIDS strategy in the review process. (Mbombela IDP 2012-2017)

3.4.1.4 Security and Safety
The highest recorded crimes are property related, at 17.3% followed by social crimes at 7.4% (theft, muggings) and violent crimes at 2.3%. An average of 41 102 people are served by one police station in the District. There is an average of 6 581 accidents per annum and most of these accidents happen during peak hours and after hours. Feedback from Interested and Affected People (IAPs) into the IDP process showed that there is a need for visible traffic policing, and a need for pedestrian and overhead bridges to assist in the reduction of accidents within Mbombela. Poor road infrastructure and street lighting have been pinned as contributing factors to accidents. (Mbombela IDP 2012-2017)

3.4.1.5 Vulnerable populations
A Department of Health Survey (2009) in the Mbombela IDP 2012-2017 accounts for 3 000 orphans and 2 000 vulnerable children in the municipality that need assistance. The IDP states that as a mitigation measure, the LM is involved in 32 home-based care projects, of which 16 are funded by the Department of Social Services, 15 funded by the Department of Health and 1 is funded by the Expanded Public Works Programme conditional grant. (Mbombela IDP 2012-2017)

3.4.2 Economic Characteristics
Mbombela Local Municipality (MLM) has a well-established economy consistently achieving growth rates higher than the South African and Mpumalanga economies in most sectors. Nelspruit is the seat of the Mpumalanga provincial government and the foremost industrial, commercial, retail and services centre for the region, including Mozambique and Swaziland (South Africa LED Network, Mbombela LM).

MLM is endowed with areas like Nelspruit which is the capital of the Mpumalanga province. Hazyview is an important banana producing and eco and adventure tourism area, White River, which is an important tourist and farming area. MLM is currently involved in the following big projects: the development of the Maputo Development Corridor project, the Mpumalanga Investment initiative, the Transfrontier Park, the Mpumalanga International Airport and hosted the 2010 FIFA World Cup. (South Africa LED Network, Mbombela LM).

Development in Mbombela is concentrated along three corridors. The western development axis, along the R40 road includes Nelspruit, Rocky’s Drift, White River and Hazyview. It has a well-developed municipal infrastructure, and provision of services is of high standard. There is steady growth of commercial and industrial activity, as well as in the provision of services to the high income residential areas. (South Africa LED Network, Mbombela LM)

In the south the second axis, along the N4, runs east/west through the area. It gives access to Nelspruit and Ngodwana Sappi, one of the largest pulp and paper manufacturing centres in the southern hemisphere, and in the east reaches the Mozambique border and provides access to Maputo. Together these axes account for more than 85% of all industrial, commercial and retail development, and there is good potential for further growth. (South Africa LED Network, Mbombela LM)

To the east, a secondary development axis extends along the D363, D1411 and other roads. The area is characterised by mainly low income urban development and rural villages which are supported by subsistence crop production and livestock farming on communal land. These services infrastructure is poorly developed;
accessibility is limited due to the poor condition of the roads; and there is little retail or industrial development. (South Africa LED Network, Mbombela LM)

3.4.2.1 Employment
The municipality’s eligible employed work force is estimated to be 165,594 (50.19%). The number of unemployed residents is estimated to be 52,290 (15.85%). The highest unemployment rates are recorded in Nelspruit B, Hazyview and Nsikazi zones. (Mbombela IDP 2012-2017).

The figure below shows that the two occupational categories that employ the most labour is in elementary occupations (19.08%) and Craft and related trade works (13.51%) of the total 32.03% employed. The number of employed individuals with an income of less than R1 600 per month constitutes 41.3% and those without an income constitute 42.6 % of the total LM population.

**TABLE 3-4 : PERCENTAGE OCCUPATION PER CATEGORY IN MBOMBELA**

<table>
<thead>
<tr>
<th>Category of Occupation</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legislators, senior officials and managers</td>
<td>15,234</td>
<td>9.02%</td>
</tr>
<tr>
<td>Professionals</td>
<td>16,037</td>
<td>9.50%</td>
</tr>
<tr>
<td>Technicians and Associate Professionals</td>
<td>10,882</td>
<td>6.44%</td>
</tr>
<tr>
<td>Clerks</td>
<td>12,509</td>
<td>7.41%</td>
</tr>
<tr>
<td>Service workers, ship and market sales workers</td>
<td>16,424</td>
<td>9.73%</td>
</tr>
<tr>
<td>Skilled agricultural and fishery workers</td>
<td>9,487</td>
<td>5.99%</td>
</tr>
<tr>
<td>Craft and related trades workers</td>
<td>22,807</td>
<td>13.51%</td>
</tr>
<tr>
<td>Plant and machine operators and assemblers</td>
<td>11,816</td>
<td>7.00%</td>
</tr>
<tr>
<td>Elementary occupations</td>
<td>32,225</td>
<td>19.08%</td>
</tr>
<tr>
<td>Occupation unspecified and not elsewhere classified</td>
<td>21,496</td>
<td>12.73%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>168,867</td>
<td><strong>32.03%</strong></td>
</tr>
</tbody>
</table>


3.4.2.2 Industry Performance
Data gleaned from Global Insight research (2007) shows that the agriculture, manufacturing, electricity, transport and communication sectors experienced fluctuations in performance over the 2003-2007 years. During the period 2005 to 2007, the mining sector declined from 25%to 15.7% (Ehlanzeni SMME Development and Support Plan 2009-2030)

**FIGURE 3-5 : MBOMBELA’S GVA SECTOR PERFORMANCE (2003-2007)**

Source: (Ehlanzeni SMME Development and Support Plan 2009-2030)
Sectors like construction and community services experienced positive growth over the years. Mining, agriculture and manufacturing experienced a mixed growth over the years, along with finance and business services sectors. (Ehlanzeni SMME Development and Support Plan 2009-2030)

### FIGURE 3-6: MBOMBELA'S AVERAGE GVA GROWTH (2003-2007)

3.4.2.3 SMME Development Challenges and Opportunities

The SMME sector within EDM faces a number of challenges and opportunities. Key among the challenges are:

- Access to information on SMME development and support, as well as the uncoordinated nature of the support;
- Access to funding, markets, as well as delayed payments, especially by Government departments;
- Lack of entrepreneurial, business management and technical skills required to ensure operational efficiency of the SMMEs; and
- Absence of a body co-ordinating SMME activities within the district, thereby depriving SMME’s of a platform to network and be exposed to economic opportunities;

However, opportunities that could be exploited include agriculture and agro-processing potential, tourism development, trade related opportunities, and opportunities in other related sectors. (Ehlanzeni SMME Development and Support Plan 2009-2030)

3.4.3 Key Strengths in the Mbombela Local Municipality

MLM's key strategic objectives are to provide water and sanitation and other basic services to its communities. The municipality’s competitive advantage is its location which enables it to take advantage of the strong international, regional and national linkages to become an active regional economic player.

Between the eastern and western axes is an area of rich agricultural land along Crocodile and White Rivers. Fertile soils and the subtropical climate provide perfect conditions for the production of citrus and tropical fruits, such as mango, banana, avocado, macadamia and pecan nuts.

Hazyview is an important banana-producing area. It is also the centre of the major agricultural area producing coffee, nuts, spices, and vegetables. It is the gateway to private reserves that form the western conservation extension to the Kruger National Park.
White River is an important farming and tourism centre. The chief agricultural products are tropical fruits, vegetables, flowers and timber. With three irrigations dams and a number of nearby forests, it is a popular holiday destination. (Ehlanzeni SMME Development and Support Plan 2009-2030)

3.4.4 Key Weaknesses in the Mbombela Local Municipality
The primary and secondary sector contribution to the GDP of Mbombela is dependent on investment in value adding processing of the raw agricultural and forestry products. There is therefore a need to invest in research and development to diversify the economy. This will entail expansion in the industries of food and beverage, wood and wood products, paper and paper products. (Ehlanzeni SMME Development and Support Plan 2009-2030)

3.5 Further Augmentation of the Baseline
Primary data will be collected through open ended interviews (focus group meetings, telephonic discussions, and where applicable one on one interviews) as part of the qualitative data gathering technique.
4 KEY SENSITIVE AREAS ALONG THE PROPOSED ROUTE

There are four identified areas of direct impact. These are highlighted below:

a) The proposed P 166 (north end, close to White river);

b) The proposed P 166 which at a certain point has three alternatives (named Phumalani in the map) in an effort to avoid potentially sensitive areas;

c) The proposed P 166 (which at another point has one alternative (named Maggiesdal in the map)– again, to avoid potentially sensitive areas; and

d) The proposed P 166 (south end, close to Nelspruit)

FIGURE 4-1 : GOOGLE GENERATED IMAGE OF PROPOSED ROUTE AND ALTERNATIVES

The table below is an overview of the route/s, sensitive receptors, the corresponding sensitivity rating, and whether this social study shows preference\(^6\) for route alignments.

\(^6\) It must be noted that the social study specifically focuses on humans and human activity which is of a social nature. Other studies may rate sensitivities very differently, depending on the nature of the receptor.
TABLE 4-1: PERCENTAGE OCCUPATION PER CATEGORY IN MBOMBELA

<table>
<thead>
<tr>
<th>Route</th>
<th>Sensitive recipients (Receptors)</th>
<th>Sensitivity rating</th>
<th>Preference</th>
</tr>
</thead>
<tbody>
<tr>
<td>P 166 road (North end, Whiteriver)</td>
<td>Commercial farms</td>
<td>High Sensitivity</td>
<td>No alternative given at this point. Suggest alternatives.</td>
</tr>
<tr>
<td>P 166 originally planned road (at point of Phumalani alternatives 1, 2,3)</td>
<td>Commercial farms</td>
<td>High Sensitivity</td>
<td>No</td>
</tr>
<tr>
<td>Phumalani 1 alternative</td>
<td>Commercial farms</td>
<td>Medium sensitivity</td>
<td>Yes, preferred</td>
</tr>
<tr>
<td>Phumalani 2 alternative</td>
<td>Outsides of informal settlement</td>
<td>Medium sensitivity</td>
<td>No</td>
</tr>
<tr>
<td>Phumalani 3 alternative</td>
<td>Farm small holdings (residential)</td>
<td>High Sensitivity</td>
<td>No</td>
</tr>
<tr>
<td>P 166 originally planned road (at point of Maggiesdal alternative)</td>
<td>Outsides of Stonehenge residential suburb</td>
<td>Medium sensitivity</td>
<td>Yes, preferred</td>
</tr>
<tr>
<td>Maggiesdal alternative</td>
<td>Commercial farms</td>
<td>High Sensitivity</td>
<td>No</td>
</tr>
<tr>
<td>P 166 road (South end, Nelspruit)</td>
<td>Commercial farms/ businesses</td>
<td>High Sensitivity</td>
<td>No alternative given at this point. Suggest alternatives.</td>
</tr>
</tbody>
</table>

**P 166 road (North end, Whiteriver)**

The northern route of the proposed P 166 passes along the west side of White River, between the residential suburb of Colts Hill and the north west side of White River, also primarily being a residential area. The existing route which connects Colt Hill to White River is the R537. There are no proposed alternatives at this point. Stakeholders would include the applicable resident’s forums.

**Alternative 1: Phumalani 1**

Phumalani 1 is a proposed alternative route that primarily directly affects commercial agricultural farms. There is also evidence of a chicken farm which would be directly affected. Stakeholders would include the Farmer’s association and individually affected farmers and farmworkers.

**Alternative 2: Phumalani 2**

This route alternative is proposed to pass through what is identified as commercial farm (agricultural) land continuing in a southerly direction spanning the outskirts of an informal settlement area.
While it has been reported (although not verified) that this land is ‘sterilised’\(^7\) thereby making the informal settlement and its inhabitants ‘illegally residing on the land.’ The length of the road that would span the west side of the informal settlement is approximately two kilometres. It is imperative that the legal status and information disclosure process that may have taken place with these inhabitants be fully understood and the repercussions of development and the possibility of impact be factored into project planning.

Stakeholders would include the Local municipality/consultants involved in the ‘sterilisation’ process; local authority leaders within the informal settlement area; and the Farmer’s association and individually affected farmers and farmworkers.

**Alternative 3 : Phumlani 3**

Alternative 3 is a proposed route that cuts through a farming area (to a lesser degree) but more so through a formal residential area constituting smallholdings. Resettling inhabitants that are currently in formal housing is not recommended. Stakeholders would include the White Rover residents association/ratepayers association; individually household owners; and the Farmer’s association and individually affected farmers and farmworkers.

At this point it is advisable that Alternative 1 be viewed as the ‘preferred option’ due to the fact that people do not inhabit the land and negotiation with farmers can be pursued.

**P 166 originally planned road (at point of Maggiesdal alternative)**

The original proposed southern P 166 route skirts the large, formal residential community called ‘Stonehenge’ along the west side. The proposed alternative Maggiesdal straddles farm land (possibly commercial), privately catered tourist accommodation and a private events venue. Stakeholders would include the privately affected commercial/tourist farm and the Resident’s association at Stonehenge residential.

At this point it is advisable that the original proposed southern P 166 route is viewed as the ‘preferred option’.

**P 166 road (South end, Nelspruit)**

The southern most portion of the P 166 passes commercial and business properties as well as residential small holdings. It runs parallel to the R40 at its end. There are no proposed alternatives at this point.

### 4.1 Conclusion

The social study has attempted to draw out which of the alternatives are most preferred options for development. What is clear from an assessment, is that Phumalani 1 is a preferred option, along with the original P 166 routing in the south end (as opposed to the Maggiesdal option). However, what is unclear, and remains an area urgently requiring clarification, is whether the first and last kilometres of the P 166 (ie, north and south ends), will have suggested alternate routes. Areas of high sensitivity have been identified in these areas and it is advisable that other options be considered.

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\(^7\) Sterilised refers to an area that has been designated for a particular purpose and cannot be used for any other purpose.
5 SOCIAL AND ECONOMIC IMPACT ASSESSMENT

5.1 Understanding the Proposed Site Area

The land identified as the proposed development area is approximately 45 kms in length and traverses a number of areas with high human movement. The full extent of the potential of such a development to positively or negatively impact on the area and it’s people must be supported through a visual and oral verification exercise (on-site).

5.2 Impact Considerations for this Study

At this point in the study, the following impacts would have to be further investigated for quantification.

- Labour and employment;
- Extent of in-migration;
- Potential loss of grazing land;
- Potential physical displacement;
- Potential loss of livelihoods;
- Potential health and safety issues for nearby communities as a result of construction labour force;
- Potential health and safety issues for nearby communities as a result of increased traffic;
- Changes in criminal activity; and
- Spin-offs from related local procurement.

5.3 Identification and Contextualisation of Impacts

The assessment of social impacts is complex because of the multi-faceted nature of human systems and organization, the potential inter-connectedness of impacts, and differing implications of the same impacts for different receptors.

The following perspectives will guide the SIA:

- SIA must be based on sound social economic assessment and the comprehensive description and understanding of social and economic baseline conditions;
- Impacts are defined as the social and economic consequences of project driven changes in the baseline environment;
- Impacts might flow directly from project activities (for example the loss of land and crops due to the construction of a facility), or they might be indirect. Indirect impacts could be a consequence of the project itself (for example improved quality of life where an employee of the project is bringing an income to a household), or they might be a secondary outcome (for example credit facilities due to an improved local business outlook);
- Impacts might also be isolated or cumulative. Cumulative impacts are typically those with many links in the local socio-economic system. They also arise from multiple activities associated with the initial project;
• Impacts must be assessed for different phases of the project cycle. The IFC\(^8\) proposes a four-phase breakdown\(^9\) that is, design and planning; construction; operations; decommissioning and closure. For the purposes of this report impacts are assessed at three levels, that is, pre-construction, construction and operation;

• Impacts can be positive or negative. The same change in the baseline condition might be experienced as positive by one section of an affected community, and as negative by another. In principle, all changes are seen to have the potential to initiate development, if the impacts are managed creatively and effectively; and

• The mitigation of impacts must be recommended. However it should be noted that responses to impacts can range from focused and specific mitigation and compensation to broad and inclusive contributions to sustainable development.

In overview, the impact contexts are the following:

• *Population and Politics*: this includes changes and impacts related to population structure, migration, welfare balances, and power and authority;

• *Economy and Work*: this context includes changes and impacts related to national and regional economic networks, entrepreneurial opportunities, tax income, employment levels and patterns, commercial and labour organization, access to jobs and employment equity, labour exploitation and household and community livelihoods;

• *Land and Resources*: this includes baseline changes and impacts related to the use of and access to natural resources such as land and water, and to location and settlement based on access to such resources;

• *Infrastructure and Social Services*: the social services context includes changes and impacts related to services infrastructure (water, energy, education, roads, and communication) and demand for these services. Health is considered under this heading, particularly in relation to demand for and access to health services;

• *Organisation and Community*: changes and impacts related to local government, crime, community organization, development planning, access to decision making, voluntary organizations (CBOs and NGOs), support networks, community stability, response to change, trust in political and social institutions, barriers to access (skills, literacy), household budgeting and use of income, and cultural resources and practices; and

• *Social Divisions*: this context focuses on changes and impacts around equity (for example the distribution and circulation of compensation), non-participation, unmet expectations, prevailing social tensions and divisions, the influx of newcomers, and the status of vulnerable groups such as the elderly, women, children and the disabled.

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\(^8\) IFC – International Finance Corporation (international lenders. Project typically complies with international guidelines for environmental and social requirements).

\(^9\) International Finance Corporation: Good Practice Note – Addressing the Social Dimensions of Private Sector Projects
6 REFERENCES