

Assmang Landholdings, Cato Ridge, KwaZulu-Natal

Offset Planning: Preliminary Trade-off Analysis

Minutes of the meeting with eThekwini (EPCPD), KZN EDTEA & Ezemvelo KZN Wildlife to preliminary trade-off analysis

Date: **19th November 2021**

Time: **9:00 - 16:30am**

Venue: **Cato Ridge Country Club**

Attendance:

Name	Initials	Company/Dept	Email
Douglas Macfarlane	DM	Eco-Pulse Consulting	dmacfarlane@eco-pulse.co.za
Robyn Phillips	RP	Cossypha Consulting	robyn@cossypha.co.za
David Styles	DS	Plant Life	davidstyles@vodamail.co.za
Carlos Magalhaes	CM	Assmang / CRDC	carlosmagalhaes@assore.com
Werner Botha	WB	CRDC	wernerb@feralloys.co.za
N. Ngwira	NN	CRDC	N/A
Garyn Rapson	GR	Webber Wentzel	Garyn.rapson@webberwentzel.com
Nomhlanhla Payne	NP	Webber Wentzel	Nomhlanhla.payne@webberwentzel.com
Rowan Albertyn	RA	Zutari	rowan.albertyn@zutari.com
Greg Mullins	GM	Ethekwini: EPCPD	Greg.Mullins@durban.gov.za
Sabelo Nkosi	SN	Ethekwini: EPCPD	Sabelo.Nkosi@durban.gov.za
Michelle Lotz	ML	Ethekwini: EPCPD	michelle.lotz@durban.gov.za
Dominic Wieners	DW	Ezemvelo KZN Wildlife	Dominic.Wieners@kznwildlife.com
Ian Felton	IF	KZNEDTEA	ian.felton@kznedtea.gov.za
Asia Khan	AK	KZNEDTEA	asia.khan@kznedtea.gov.za
Natasha Brijlal	NB	KZNEDTEA	natasha.brijlal@kznedtea.gov.za

Apologies:

Name	Company/Dept	Email
Ryan Kok	Eco-Pulse Consulting	Rkok@eco-pulse.co.za
Cameron McLean	Ethekwini: EPCPD	1urban1.mclean@durban.gov.za
Andy Blackmore	Ezemvelo KZN Wildlife	andyb@kznwildlife.com
Kacy Rengasamy	KZNEDTEA	kacy.rengasamy@kznedtea.gov.za
Nombulelo Zungu	KZNEDTEA	nombulelo.zungu@kznedtea.gov.za

Minutes prepared by: Douglas Macfarlane, Eco-Pulse Environmental Consulting Services

Distribution of minutes by email to attendees: as above

Signed attendance registers are attached as **Annexure 1.**

Meeting Minutes

1. Introduction

- The meeting was held at the Cato Ridge Country Club and commenced at 9.30am after refreshments had been served.
- WB welcomed the attendees and facilitated a round of introductions.
- The agenda was discussed, with the option of bringing forward the field visit to accommodate concerns with the weather.

2. Overview of Cato Ridge Land Options Project

- RA ran through a presentation that provided context to the project from a planning and development perspective. This included a strong motivation for the need for the project in light of social and economic imperatives in the region. A copy of the MS PowerPoint presentation is included as **Annexure 2** to these minutes.

Discussion: Comments & Queries

Existing operations

- CM indicated that the existing operations are expected to start winding down within the next 5-10 years. As such, CRDC are looking to dispose of these landholdings in the medium term.

Landowner vs developer

- CM emphasized that CRDC are not planning on developing their land holdings but are wanting to sell the land to developers. As such, the purpose of the EIA is to define what area of land can be made available for development.

Need and desirability

- IF emphasized that the need and desirability of the project is critical and must be clearly presented.
- With respect to the need for 4000-600ha for an inland port, IF queried what assessment was done to establish the extent of alternative land available and the anticipated “take-up” of land for warehousing / logistical purposes.
- CM indicated that a critical mass is needed to make a Dry Port feasible and that there are economies of scale when installing bulk services for a development of this nature.
- RA emphasized the pressures to the land and the need for development to create jobs for local communities.
- RA indicated that whilst a number of areas such as Keystone Park have been developed, there is limited flat land available for logistics/warehousing purposes in the region. As such, the Assmang landholdings are most well suited for such purposes. He further emphasized the proximity of road and rail networks that adds to the suitability of the site.
- RA indicated that consideration had been given to the development of an Eco-Estate on some portions of the land but that such landuse would provide limited benefits to the surrounding communities. Warehousing is however a key driver of employment.
- IF reiterated the importance of the applicant demonstrating that the development is being proposed in the most desirable location. He further recommended that the planners for the project take a broader perspective by also evaluating the suitability of other land to meet

strategic development aspirations in the area. He indicated that it is only once a strategic perspective is obtained that the mitigation hierarchy can be appropriately followed.

Action: RA

- IF suggested that it would be important to outline the landuse options considered and to provide a clear justification for the proposal presented with reference to other alternatives considered. **Action: RA**
- RA again emphasized the importance of socio-economic viability of the project and the real threat of encroachment by communities unless real economic opportunities are created in the region.
- IF indicated grasslands associated with the Assmang property may be one of the best areas for offsetting impacts to KZNSS in the region and that this needs to be taken into consideration as a potential alternative landuse¹.
- GM noted that he has been working on SIP projects for the past 10 years and that the Cato Ridge area, though indicated as a dot on a map is really a strip along the N3 where opportunities exist. He further indicated that non-sensitive areas are already being made available for development in the region.
- GM further suggested that once opportunities in the area have been contextualised, one may find that the site is most suited as a conservation banking site.
- CM agreed that it was unlikely that only one logistics hub would be required but that a number of nodes were likely to be developed to support logistics along the N3. As such, there is room for a number of role-players to share in realizing development opportunities in the region.

“Buffer” around the existing Assmang developments

- IF queried why the land was acquired and queried whether the additional land was secured as a buffer to limit impacts to surrounding communities. He further asked if there were any restrictions in the title deeds relating to development of land around the existing Assmang facilities.
- CM responded by indicating that the additional land was purchased for expansion purposes but that the Cato Ridge plant did not grow as expected. He did however agree to establish whether or not there are any legal requirements linked to the existing “buffer”. **Action: CM**
- CM further indicated that apportion of the land east of the existing works was notoriously tied. This is being addressed so that land can be released for development.

Conservation considerations

- IF emphasized that setting aside land for conservation should not be seen as “sterilizing” land as such land can still be used for conservation-compatible landuses.
- RA apologised for referring to “sterilizing” land but re-emphasized the need to replace the economy that would be lost if the smelter closes and the need for development that would create economic opportunities for adjoining communities.

¹ Note that intact grasslands to the north of the site was ranked sixth of 12 priority offset receiving areas for KZNSS in eThekweni (Macfarlane, D.M., Van Deventer, R., and Von Hase, A. 2015. Deliverable 2: Review of local context and associated constraints and opportunities for piloting a conservation banking scheme. Version 0.1 Unpublished draft report prepared for eThekweni Municipality and the Critical Ecosystem Partnership Fund prepared by Eco-Pulse Environmental Consulting Services and Forest Trends.)

- IF emphasized that responsibilities for managing land are the obligations of the land-owner. Actions to address challenges such as sand mining and overgrazing should therefore be seen as an obligation rather than going “over and above” legal requirements.
- CM noted that Assmang are very active in preventing sand mining but have received very little support from environmental departments or the police in addressing the challenges.

Mitigation hierarchy

- DW indicated that he was disappointed to see that steps had not been taken to revise the development layout to accommodate the recommendations made during previous discussions. He indicated that EKZNW was not in support of the current proposal and further indicated that whilst there is a clear need for development, the desirability of the proposal needs to be interrogated further based on the sensitivity of the site. He further emphasized the need to avoid sensitive areas.
- SN supported GN and indicated that no serious consideration had yet been given to the sensitivities of the site and potential adjustments that could be made to the proposal. At this stage, EPCPD can also not support the development as environmental impacts have not been addressed and the current proposal is viewed as unsustainable from an environmental perspective.
- CM took note of these concerns and indicated that a decision was taken to present the original plans for now but that the plan is to review and revise these plans following inputs received from this meeting. He further indicated that he was hopeful that a new plan would be formalized through the process now underway.
- DM responded further to indicate that the trade-off analysis had served to further highlight constraints associated with the development proposal and that the intention is to move towards a proposal that is sustainable.
- CM noted the importance of following the mitigation hierarchy and whilst offset studies are typically initiated late in planning, they were advised to initiate offset considerations early on to help inform project design.
- IF indicated that establishing the feasibility and viability of an offset would be critical when reviewing any environmental application. If this cannot be demonstrated, the application would be rejected. It was on this basis that the need to bring forward offset investigations was noted during earlier discussions.

Approach to EIA application

- RA noted that the EAP is busy preparing an application for earmarked development areas north of the N3. This is being prepared as a “Framework” EIA application to obtain authorization for land clearing and the provision of basic infrastructure.
- RA further indicated that the intention is to make initial submissions in early January with the aim of having the process finalized by the end of 2022.
- IF noted that there is a risk of lodging the application early and that a solution to any offset obligations needs to be addressed as part of the submission.
- CM indicated that CRDC did not want to submit an application with information that is lacking and would welcome further guidance by the authorities represented at the meeting.
- SN emphasized that an important reason for meeting was to seek amicable solutions and that careful consideration should be given to the process being followed.

- SN cautioned that a “Framework EIA” may be problematic and that issues such as responsibilities for managing conservation areas and the liability of the applicant would need to be considered. He suggested that alternative tool may be more appropriate.
- CM responded by indicating that the Master Plan is flexible and requested advice on the most appropriate process to follow.
- SN recommended that an SEA would be more appropriate than an EIA.
- RA noted his concern that an SEA would not provide the clarity needed by the applicant.
- GM indicated that an EIA was too fine-scale in the absence of a strategic plan. He therefore suggested that both an SEA and EIA should really be prepared for this application. The SEA should address regional and landscape issues that need to be resolved first before decisions can be taken on individual land holdings. This would include the establishment of broad-based principles to inform development in the region.
- ML supported the concept of preparing an SEA and recommended that the EIA not be undertaken at this stage for the full development site.
- CM indicated their intention to sell off the land and walk away after land sales have been completed. As such, the intention would be for the purchaser to obtain any additional environmental authorizations and to be responsible for any development-related obligations.
- CM indicated that the current plan was to prepare an EIA in three sections covering different land portions north of the N3.
- RA emphasized the need for a clear decision indicating which areas of land can be developed as an outcome of any assessments undertaken.
- IF noted that he has a new function within KZNEDTEA and is looking at other IEM tools that can be used. He further indicated that an SEA is useful for presenting and responding to strategic issues that is then used to guide decision making but that it is not an implementation tool.
- IF suggested that an SEA should be prepared for the broader corridor to establish a sound contextual basis to guide decision making. The burden of such an assessment should however not rest with the applicant.
- IF further indicated that other areas such as the Western Cape are using a Generic Environmental Management Programme to facilitate development applications in a context where there are conflicts between conservation and development. In this instance, the City of Cape Town has purchased an offset areas in advance and the EMP is being used to control listed activities as long as the developments comply with the EMP and associated offset obligations.
- SN supported the need to consider the environmental value of the land and the potential of securing high value areas as potential offset / conservation banking sites.
- IF queried how urgently the applicant needed an answer on the extent of developable land and suggested that if the applicant could wait, that KZNEDTEA could potentially fund a strategic assessment of the N3 corridor with a focus on applying exclusion standards for certain developments and linking this with a conservation banking initiative. Such an approach could reduce EIA obligations whilst strengthening offset arrangements.
- IF confirmed that funds would probably be available from April next year (new financial year) and that the study would likely take in the region of 6-8 months to complete after which exclusion standards would need to be gazetted.

- GM noted that Cato Ridge had been identified as a potential pilot area for implementing a conservation banking scheme and as such, would support an approach to develop a conservation bank for strategic infrastructure in the region.
- When questioned about the suitability of an EMF, IF indicated that he did not believe that this was an appropriate tool for this context. He also suggested that an SEA was also not likely to be very useful unless the terms of reference were very clearly defined. He therefore proposed that an exclusion standard and EMPr rather be developed for the area.
- DM suggested that the authorities develop a concept note for undertaking a strategic assessment and developing the accompanying exclusion standard that could then be used to guide further planning.
- CM indicated that they could not ignore sales for the next 12-18 months and that there was a need to unlock at least a portion of land for development in the short-term.
- IF agreed that a meeting between authorities would be useful to provide further guidance on the way forward and to potentially define a scope of work for a strategic assessment.

Action IF

- CM re-emphasized the importance of identifying low-sensitivity areas to target through an EIA application and requested that this be an important focus during site inspections.
- NB indicated that she appreciated the approach being taken and the willingness shown to find a sustainable solution. She further suggested that a phased approach to the application could be considered targeting the least sensitive areas first.
- DW re-emphasized that the most important areas were well known and could easily be avoided.
- IF also suggested that sufficient information was available to inform development planning since areas of low sensitivity had already been identified. He further indicated that whilst he cannot guarantee that low sensitivity areas would be authorized, obtaining approval in such areas would be more likely.
- IF suggested that a framework EIA be prepared in the short-term targeting smaller low-sensitivity areas. It would however be important for the process of transferring ownership and responsibilities be carefully considered considering recent challenges experienced at Cornubia. It was further indicated that additional activities not covered in the framework EIA would need to be authorized separately.

Action: Project Team

Offset considerations

- CM noted that the preference was to meet offset obligations on Assmang landholdings and that they do not have the appetite to purchase or manage land.
- DM suggested that it may be useful to develop a strategic offset framework for KZNSS that could then be used as a basis for guiding offsets in the region.
- IF agreed that KZNSS and addressing biodiversity offset obligations for development was the most pressing issue that would need to be addressed and would support a strategic offset approach for the area. As part of this framework, it would be important to also identify the most appropriate offset receiving areas.
- IF further emphasized the importance of developing an appropriate governance structure to oversee effective implementation of any offsets in the area. This may necessitate the establishment of a Property Owners association / similar.
- IF also noted that such a study should ideally extend beyond the boundaries of eThekweni to also include potential offset receiving areas in neighbouring municipalities.
- RA noted that opportunities to address offsets may exist on Ngonyama Trust land.

- GM indicated that securing offset sites on Ngonyama Trust land is likely to be highly problematic if not impossible.
- DW indicated that it is important to be clear on terminology and that setting areas aside on the development site is not viewed as an offset. He further emphasized the importance of following the mitigation hierarchy when developing a development proposal for this area.

3. Site inspection

A site visit was undertaken to selected locations after lunch. This visit targeted the following locations (Figure 1):

- 1A: The site contains areas of moderate condition KZNSS with sign of historic disturbance (sand mining). Despite these disturbances, the site supports a range of threatened and endemic species.
- 1B: This site is located further down the valley, and supports a range of important plant species along rocky outcrops. The extent of disturbance (historic sand mining) of wetland areas lower in the valley was also noted.
- 2A: This area is located along the existing Assmang smelter and appears to have been levelled historically. Grassland condition was regarded as poor, with grasslands lacking in diversity and showing signs of infrequent burning. This was regarded as an area of low sensitivity that should be prioritized for development.
- 2B: Whilst also mapped as being in poor to moderate condition, the area showed signs of historic disturbance (e.g. areas with gravel) but appeared to not have been subject to previous clearing. As such, the area was flagged as potentially recoverable, despite the low plant diversity.
- 2C: This site was located south of the existing district road and was similar in character to site 2B. DS did however indicate that more intact areas were present within this grassland area.

The following notes are relevant from the site visit:

- The importance of remaining remnants of KZNSS was emphasized by authorities. Whilst areas of poor condition are of lower conservation value, they emphasized that recoverability needs to be considered, and that if areas are recoverable, these areas should ideally be excluded from development.
- Whilst existing vegetation mapping provides an indication of condition, this needs to be refined to specifically indicate areas that are regarded as “non-recoverable”. This will require further field sampling and refined mapping. **Action: DS**
- There is a need to accommodate biodiversity corridors within any proposed development layout to facilitate species movement.
- Consideration should also be given to priority conservation areas including existing conservation servitudes in the adjoining areas.

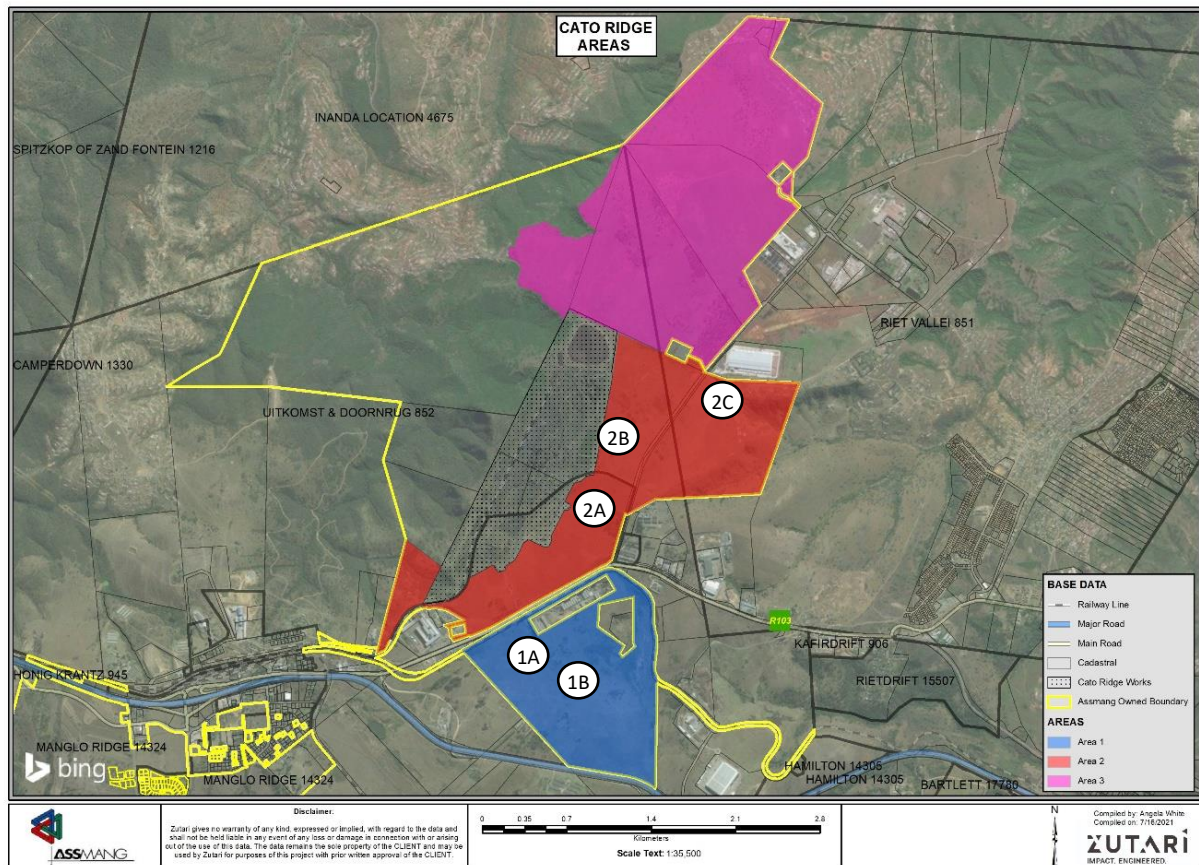


Figure 1. Approximate location of site visits.



1A. Infield discussionsat the first stop.

1A. DS sharing insights with stakeholders. Despite showing signs of disturbance, the area was mapped as being in moderate condition with endemics.

	
1B. View over heavily grazed grassland area. This area also falls within a zone mapped as being in moderate condition with endemics.	2A. View over historically disturbed and rank grassland area. The area was mapped as being of Poor to Moderate condition but is probably better mapped as Secondary grassland in poor condition.

4. Offset Planning – Preliminary trade-off analysis

- DM ran through the offset presentation which provided an overview of the trade-off analysis undertaken. A copy of the MS PowerPoint presentation is included as **Annexure 3** to these minutes.

Discussion: Comments & Queries

- DW raised a concern that the mitigation hierarchy assessment was only being considered as Phase 3 in the offset planning process.
- DM responded by indicating that the mitigation hierarchy was front-and-centre in the offset planning process. The outcomes of this process are however documented as a key outcome of the development planning process and as a key input into the offset report.
- GM indicated that the strategic trade-off analysis presents a worst-case scenario for existing zoning schemes as it does not accommodate DMOSS which is applied as a further control layer to the zoning scheme. It may therefore be useful to re-evaluate the scenario by excluding DMOSS areas from the impact area. **Action: DM**
- Authorities raised concerns regarding the idea of considering lower offset ratios in this context despite such precedents being set elsewhere. This appeared to stem largely from precedents already set in this landscape where 30:1 ratios have already been applied for other developments. Changing this stance would open the authorities up to a legal challenge from other developers.
- GM further noted that the city already had obligations to secure approximately 2000ha to offset impacts associated with a planned development. Given this demand, and further offset obligations that are likely to arise from other developments, there is expected to be a high demand for offset land in the region.
- GM further indicated that land purchase costs for conservation areas were in the region of R50 to R80K/ha. This excludes costs for management and maintenance. This provides some indication of the value of land for conservation in the region.
- A discussion was again held on the potential for discounting ratios based on sensitivity or condition. EKZNW indicated that condition multipliers were not used and that any KZNSS that was recoverable would be subject to the same offset ratio.

- The potential for “Trading up” by securing large intact areas of other vegetation types on Assmang landholdings was discussed. EKZNW & EPCPD both supported the inclusion of Dry Coastal Hinterland Grassland areas in offset sites due to the similarity in plant composition with KZNSS. Eastern Valley bushveld was however regarded as being of a much lower conservation priority and different too substantially from KZNSS to be used to offset impacts to KZNSS. Further guidance on any discount ratios for any out-of-kind offsets needs to be provided by EKZNW. **Action: DW**
- Securing additional land through stewardship arrangements was put forward as a potential solution to address offset requirements. Such arrangements could be secured through a conservation banking scheme. The costs of addressing offset requirements through such an approach are unknown and requires further investigation. **Action: DM**

5. Way forward

Based on discussions and further deliberations by the client, the following next steps are recommended:

1. DS to refine condition and associated sensitivity mapping to specifically identify “non-recoverable” areas.
2. Applicant to review development proposal and consider the submission of a framework application for a smaller area targeting least sensitive areas whilst more strategic planning is underway.
3. DM to investigate conservation banking costs as an option to address offset obligations for any residual offset targets that cannot be met through on-site conservation efforts.
4. IF to investigate the potential of funding a strategic assessment and development of a strategic offset framework for the N3 corridor and linking this to a formalized conservation banking mechanism.

The meeting adjourned at 4.30pm.

CATO RIDGE DEVELOPMENT COMPANY LIMITED

REGISTRATION NUMBER NO: 1956/002268/06

Attendance Register

SUBJECT: Assmang Offset Discussions

DATE: 19 November 2021

INITIAL & SURNAME	COMPANY/INSTITUTION	DESIGNATION	EMAIL ADDRESS	CONTACT NO.	SIGNATURE
I. FELTON	EDTGA	CEO: LEY TOOR + INSTRUCTORS	ian.felton@kgsnelte.gov.za	033 845 08 246 1700	
D. WIENERS	Ezemvelo KZN Wildlife	Principal Planner	denise.wieners@ezemvelo.kznwildlife.com	031 322 4560	
G. MULLINS	ETHEKUSINI MUSI	GOVIRS	guy.mullins@kdsdun.gov.za	031- 322 4301	
SB. NIKOSI	— 11 —	STANCK CIVIL ENGINEERING	SB@STANCK-NGOSI@DUNBATH.GOV.ZA		
G. RAPSON	Webber Wentzel	Partner	garry.rapson@webberwentzel.com	083 215 8575	

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CATO RIDGE DEVELOPMENT COMPANY LIMITED

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DATE: 19 November 2021

INITIAL & SURNAME	COMPANY/INSTITUTION	DESIGNATION	EMAIL ADDRESS	CONTACT NO.	SIGNATURE
C. MAGAHTHE	ASSMANG / CRDC	PROTECT MANAGER	carleymagahthe@assore.com	0635243284	
R. Albertsen	Zutari	Technical Director	rovan.albertsen@zutari.com	0798863414	
N. NGWIRA	CRDC	Property Manager ADMIN ASSISTANT			
W. Botha	CRDC	Property Manager	weinerbe@ferrals.co.za	0824111656	
N. PAYNE	Webber Wentzel	Candidate Attorney	nonhlanhla.payne@webberwentzel.com	0622960484	

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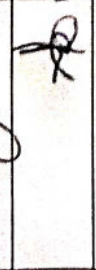
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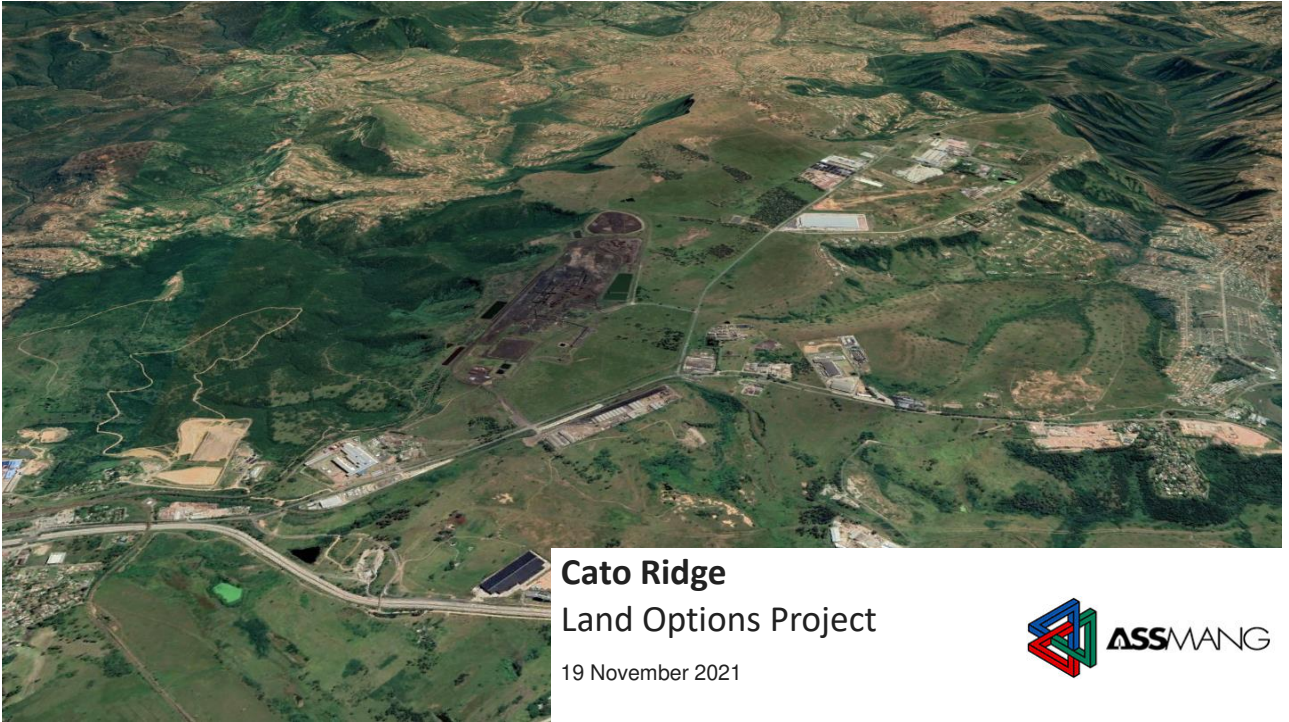
SUBJECT: Assmang Offset Discussions

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INITIAL & SURNAME	COMPANY/INSTITUTION	DESIGNATION	EMAIL ADDRESS	CONTACT NO.	SIGNATURE
MICHELLE LOTZ	ETHEKWINI MUNI	MANAGER: BIA	michelle.lotz@edurban.gov.za	072 140 7262	
Robyn Phillips	Cossypha Ecological (Eco-Pulse)	Ecologist	robyn@cossypha.co.za	084 695 1648	
Douglas Mederlan	Eco-Pulse	Offset Specialist	dmederlan@eco-pulse.co.za	084 368 4527	
David Style	self	sepeleba specialist	david@davidstyle.co.za	082 555 8665	
AB Khan	ESTEA	Ceo: Planning	asia.khan@kynedka.gov.za	082 461 8669	
NB Ngal	ESTEA	Ceo: Impmgmt	netasha.brigall@kynedka.gov.za	079 898 0491	

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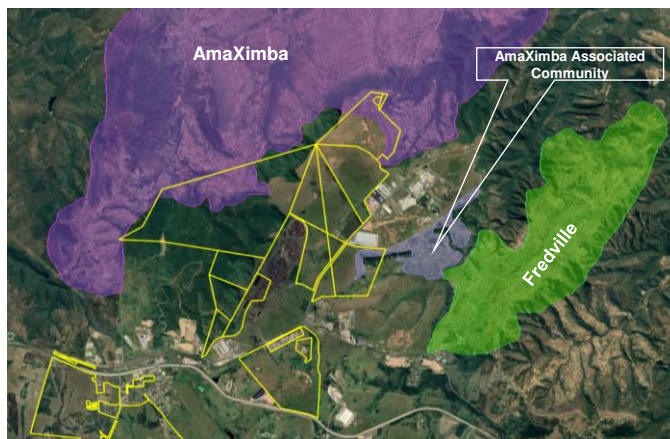
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1

Overview and background

- Assmang (Pty) Ltd ("Assmang") owns and operates the Cato Ridge Works.
- The Cato Ridge Works has a limited remaining life and Assmang and CRDC has no interest to own land in Cato Ridge that is not part of their core business.
- The mandate from the Assmang Board is to commercially release land in a way that is responsible and economically sustainable.
- The Cato Ridge Works employs approximately 750 people that is predominantly from the north adjacent amaXimba community.



2

Overview and background

- Assmang has a long-standing relationship with the amaXimba community and specifically with the amaXimba Development Trust (ADT).
- This relationship is backed up by an understanding the Assmang will endeavour to facilitate economic development on their land that could benefit the community beyond the life of the Cato Ridge Works and in return the amaXimba will not occupy the land or lodge any land claims on the properties, since this could encumber any development prospects.
- Despite the title deeds that are registered in favour of Assmang and the CRDC, the amaXimba adamantly refers to the land as "their land".
- The intention of the Land Development Pre-feasibility study was to investigate the feasibility of making land available for a combination of land use options to future developers, that could serve as a catalyst for economic growth for the region.
- A Pre-Feasibility study was completed in 2020 to determine the developability of the land and it was found that from a technical perspective, 789ha of the total 1 263ha was suitable for development in the section North of the N3, but there could be an environmental **constraints** due to the prevalence of KZN Sandstone Sourveld but the extent was not completely known?
- Cato Ridge is located on the N3 highway corridor. The importance of the N3 highway corridor is illustrated in its inclusion into the National Infrastructure Plan as Strategic Infrastructure Project (SIP) 2 which is aimed at strengthening the logistics and transport corridors between Gauteng and the Durban Port - two major industrial hubs in the country;
- According to the KZN Provincial Planning Commission, one of the strategic infrastructure goals is to plan and develop an inland multi-modal logistics hub. This will allow harbours in KZN to operate at optimal capacity. The KZN Growth Development Study (GDS) designates Cato Ridge as a KZN Industrial and Logistics Hub

3

Looking at the Planning Context

- KZN Dept of Transport has been tasked to coordinate the SIP2 through the SIP2 KZN Combined Focus Group.
- Cato Ridge is mentioned as one of the priority projects for the success of the SIP2



4

Looking at the Planning Context

- The railway line that runs adjacent to the site is a key physical feature that has the potential to play a critical role in supporting the decongestion of the port. The Port of Durban's capacity constraints and Transnet's intention to consider decongestion possibilities opens the Cato Ridge site up to playing a regional role via the railway



5

Looking at the Planning Context

- All plans and policies have consistently identified the Cato Ridge portions to the north of the N3 Highway as strategically located and ideally suited for industrial development, with a specific focus on logistics; and
- There is no other alternative land options for a Dry Port where there is flat land of significant size, with rail and road interface on the site, other than the land under discussion.
- The total footprint of the Durban Port and its supporting warehouse and logistics land uses is approximately 2000ha. To enable the decongestion of the Durban Port, it is our opinion that it is necessary to allow for development of 500ha – 600ha of land or as much of the available flat land as possible to cater for ancillary and supporting land uses as well.
- On a local level, the policies, plans and frameworks of eThekweni Metropolitan Municipality supports the strategic intent for the development of Cato Ridge. The eThekweni Spatial Development Framework (SDF), 2016-2017, includes the area into its Primary Investment Corridor, which has resulted in the development of the Cato Ridge Local Area Plan (LAP). This LAP designates the greater Cato Ridge as a regional logistics hub and industrial production node, and promotes the use of the land for industrial use;

6

Development Masterplan

“General Industrial 2” for: Light Industry, General Industry (Non-noxious), and Logistics – approximately 544ha

Restricted Rural Residential – approximately 161ha

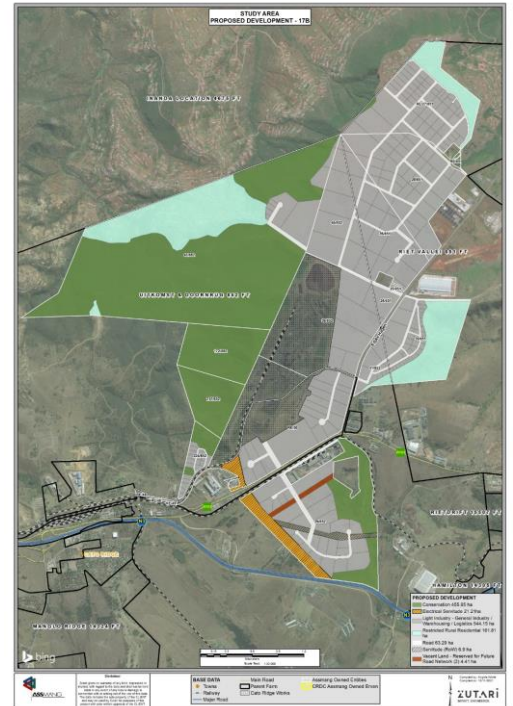
Proposed Roads and Streets – approximately 63ha

Conservation – approximately 456ha

Electrical Servitudes – approximately 21ha

Other servitudes – approximately 7ha

Vacant land reserved for proposed KwaXimba Northern Link Road – 4.5ha



7

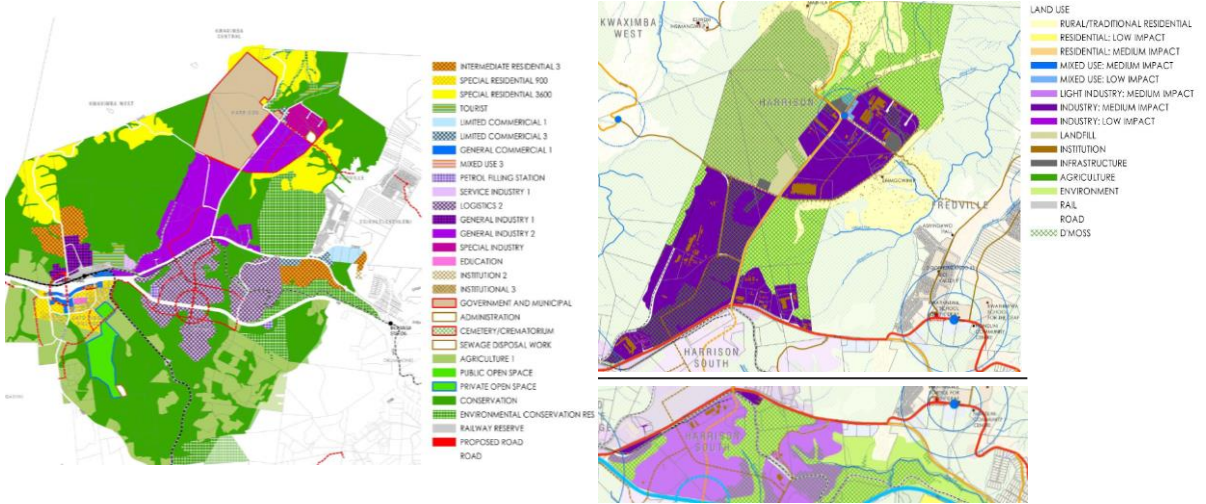
Engagement with potential buyers / end users

- Various potential end-users have approached Assmang / CRDC given the favourable location of the land.
- No sale agreements have been finalised up but discussions about land purchases are on going with parties.
- Assmang has a rigorous internal process to ensure potential buyers and end users that buys land from Assmang / CRDC adhere to the vision of making land available for non-noxious land uses that supports the logistics development and dry port as envisioned by the SIP2 programme.

8

Looking at the Local Planning Context – Zoning & DMOSS

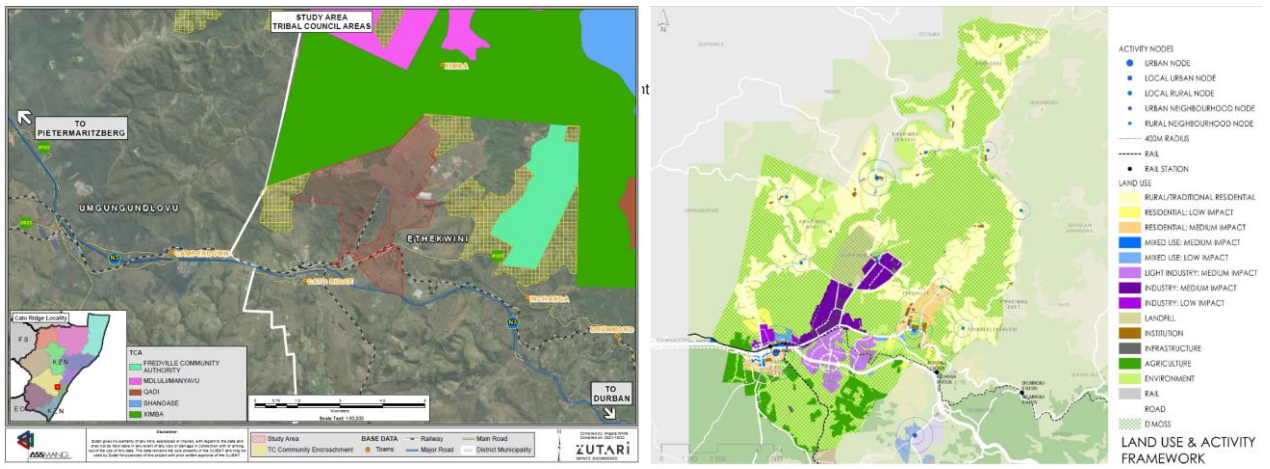
The zoning of properties has been historically applied to the Cato Ridge Region. The predominant zoning predominantly supports "General Industrial 2", "Landfill" and "Rural Residential". With the knowledge of KZNSS prevalent in the area – a DMOSS layer was applied, which seemingly contradicts the support for development.



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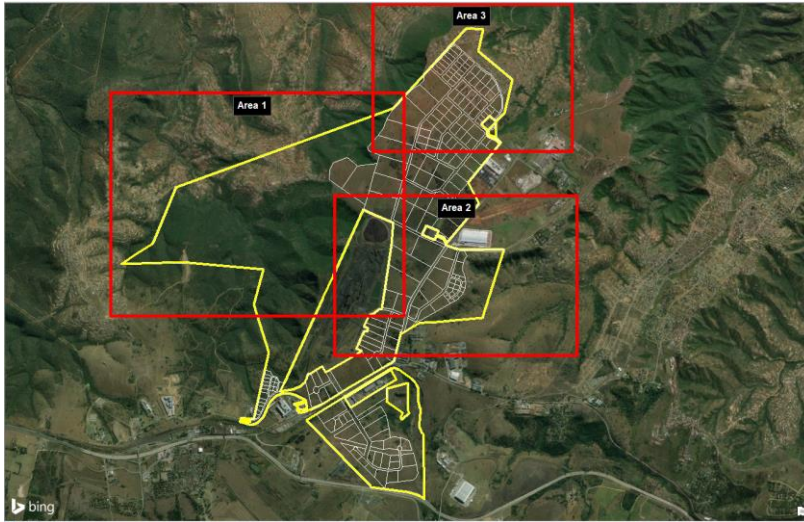
DMOSS and Tradition Council Areas

- Despite the private land ownership in favour of Assmang & the CRDC, the Study Area is almost surrounded by TCA's and the community encroachment beyond the TCA due to pressure for available land.
- Essentially, the Study Area has the same characteristics as a TCA and the pressure for available land is growing. Some encroachment on Assmang / CRDC land has occurred but this has been curbed but the tribal / rural residential areas are increasing in density



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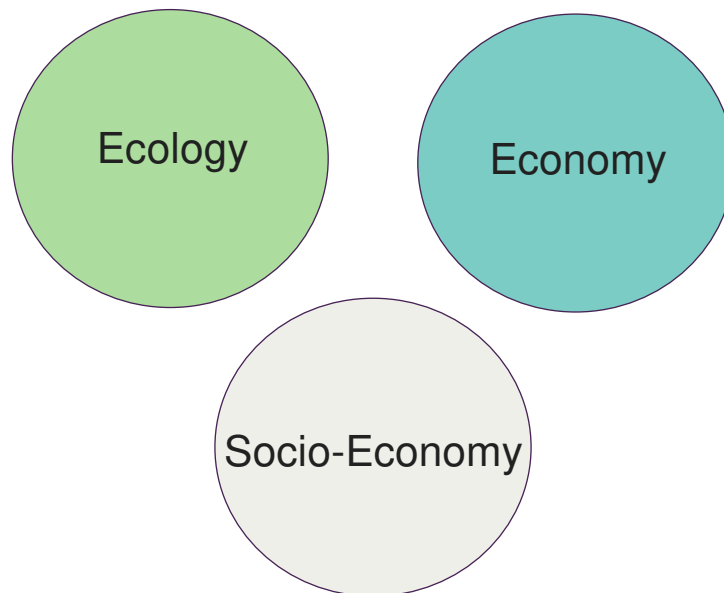
Tribal Residential Interface with Study Area



- Encroachment of communities
- Continuation of trends in current land use (fires, grazing, settlement, sand mining and industrial land use) is an on-going effort and could will lead to the further degradation of grasslands
- Loss of potential employment/ economic opportunities, predominantly for the amaXimba community remains a concern and
- Impacts on implementation of SIP2

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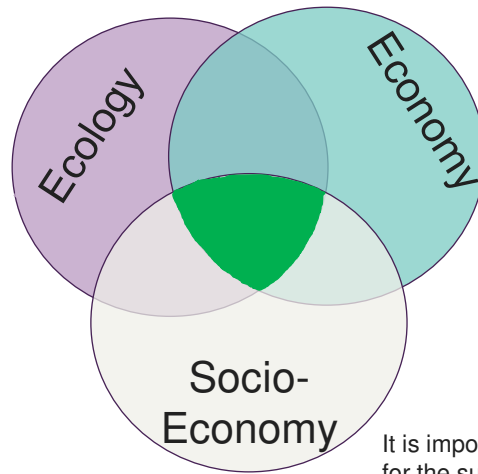
A Balance must be found



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A Balance must be found

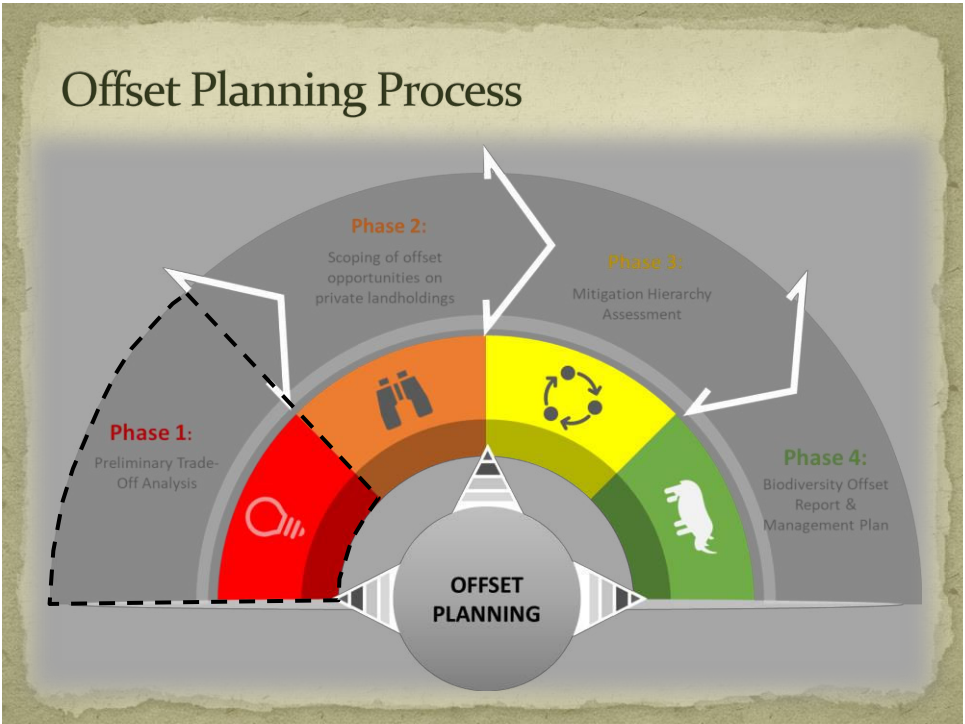
- We acknowledge that this is the trade off process
- It is important to find a long term sustainable way of protecting our biodiversity
- Without local economic benefit, the protection of the biodiversity will be in perpetual jeopardy and its protection will be extremely costly
- In the event that CRW is not operational anymore, a sustainable solution must be in place to mitigate this risk.



It is important to find a solution that will allow for the sustainable protection of sensitive biodiversity, whilst creating a sustainable socio-economic future for the communities.



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Part 1: Zoning Schemes

What are the impacts of planned zoning schemes on KZNSS and what implications does this have for offset planning?



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Trade-Off Analysis (Zoning Schemes)

- **Focus of the assessment**
 - To what extent can impacts associated with planned developments in the region be addressed through conservation of available KZNSS?
 - How can / should this inform offset planning (and specifically the application of offset ratios) in the region?
- **Approach to the assessment**
 - Assessing potential impacts and offset obligations
 - Consolidated available zoning schemes provided by eThekweni
 - **Transformation potential** assessed by allocating scores to each zoning category
 - **Ecological Sensitivity** used as a basis for estimating the significance of transformation
 - **Impact potential** assessed by integrating scores for consolidated zoning schemes
 - **Potential Offset Targets** assessed by considering a range of potential offset ratios
 - Assessing land available to compensate for impacts
 - Assessed the extent of KZNSS available to meet offset requirements
 - Within Zoning Scheme areas
 - Within areas outside of zoning schemes and TA areas
 - Within Tribal Authority Areas

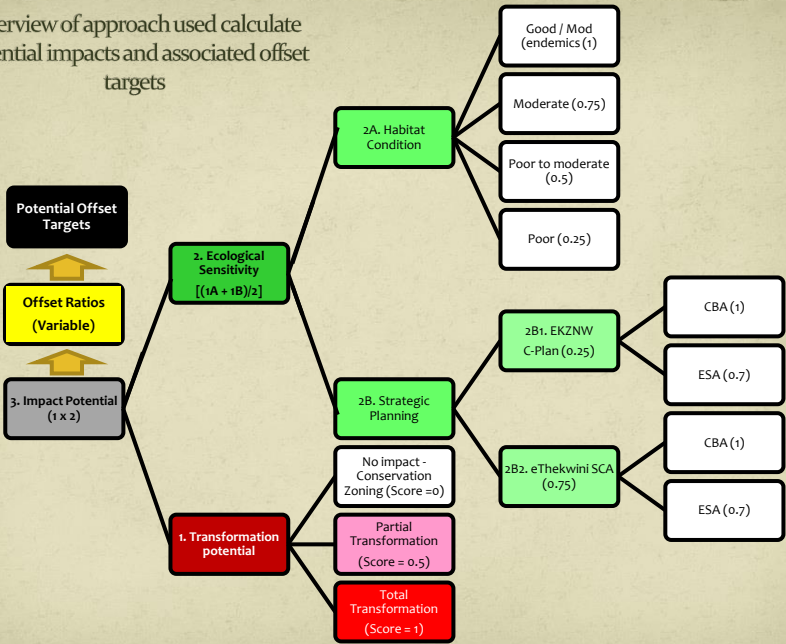
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Assessing potential impacts and associated offset obligations

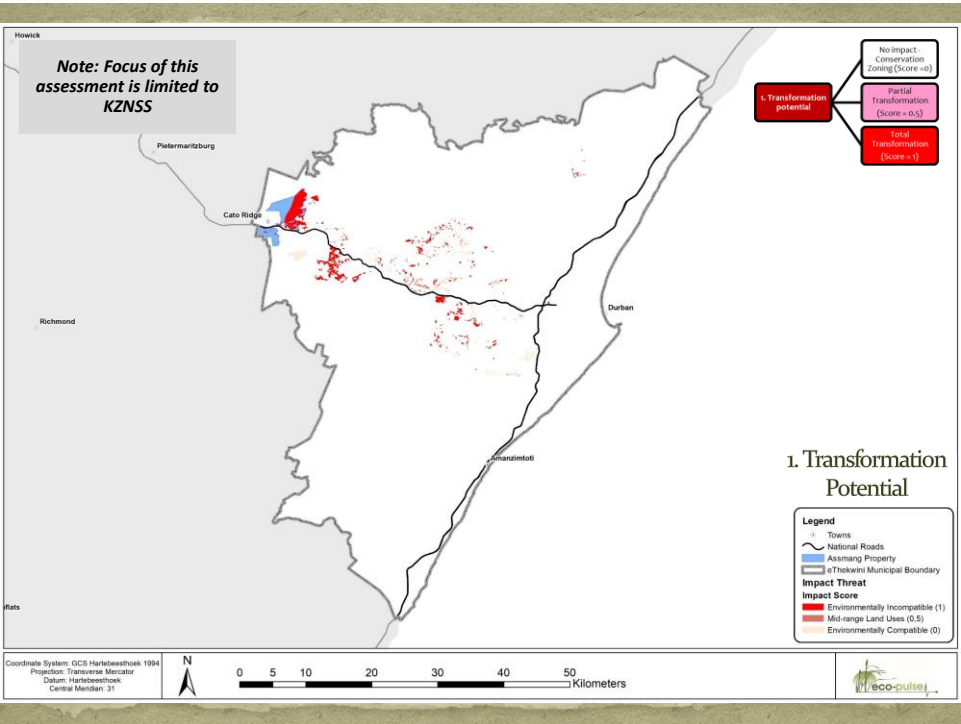


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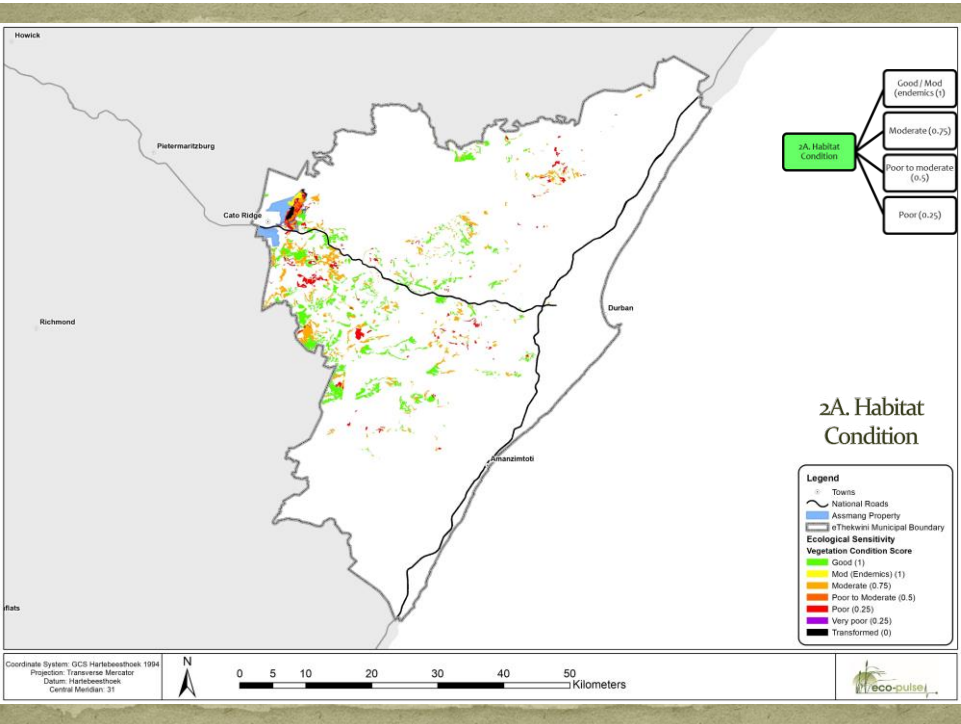
Overview of approach used calculate potential impacts and associated offset targets



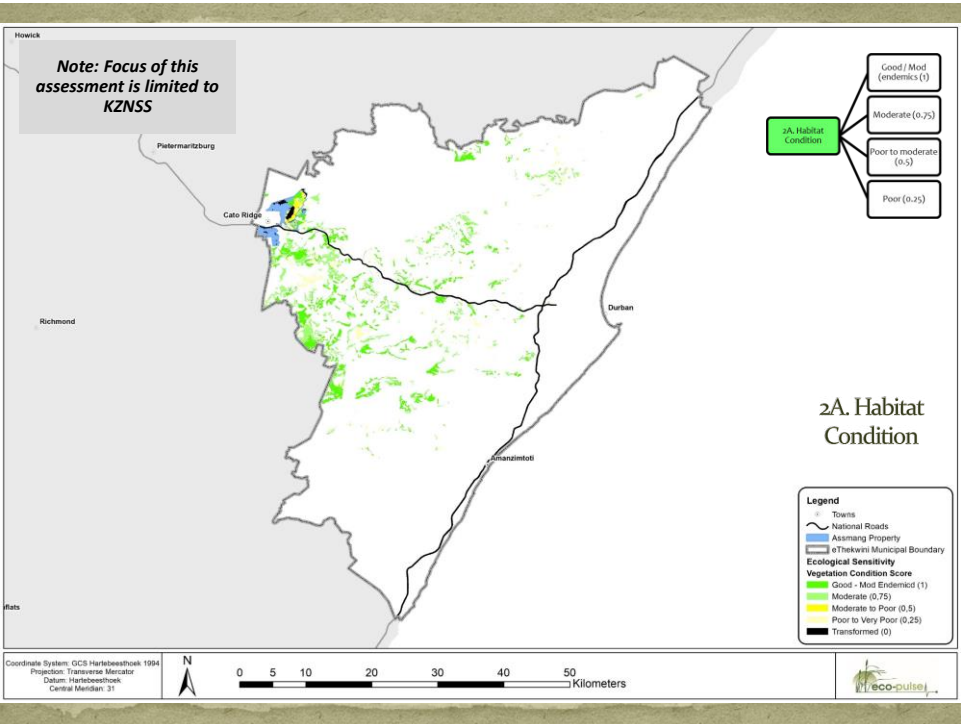
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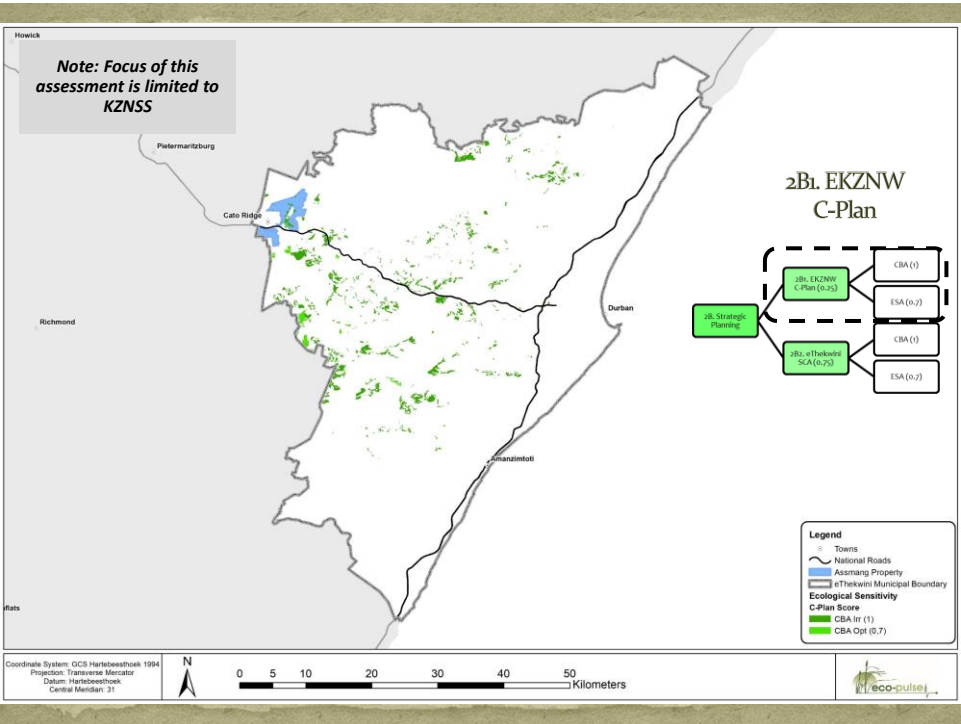
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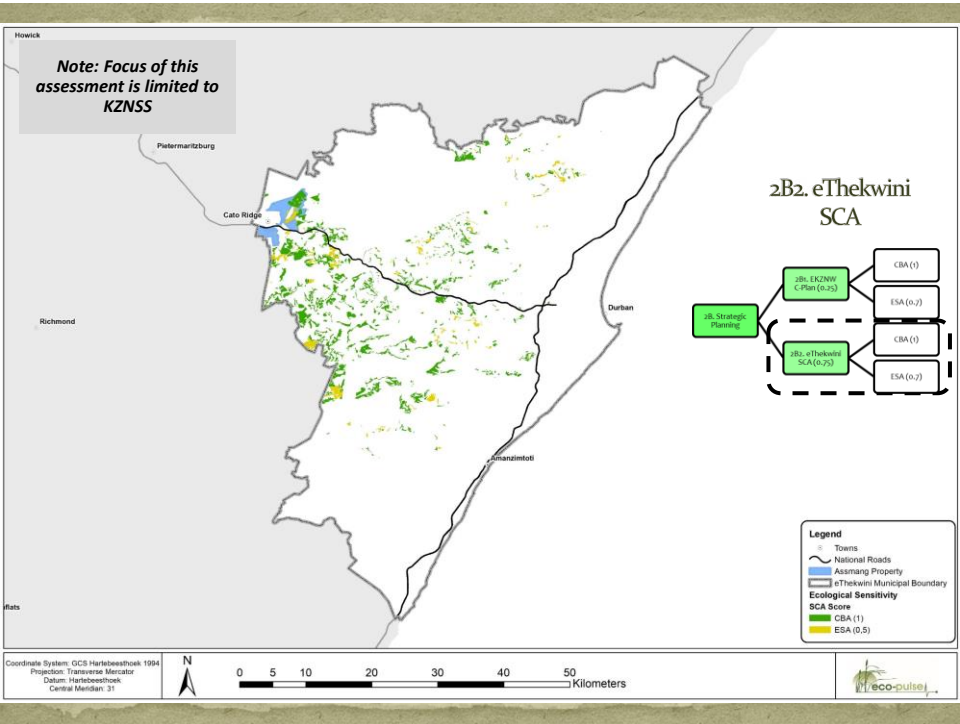
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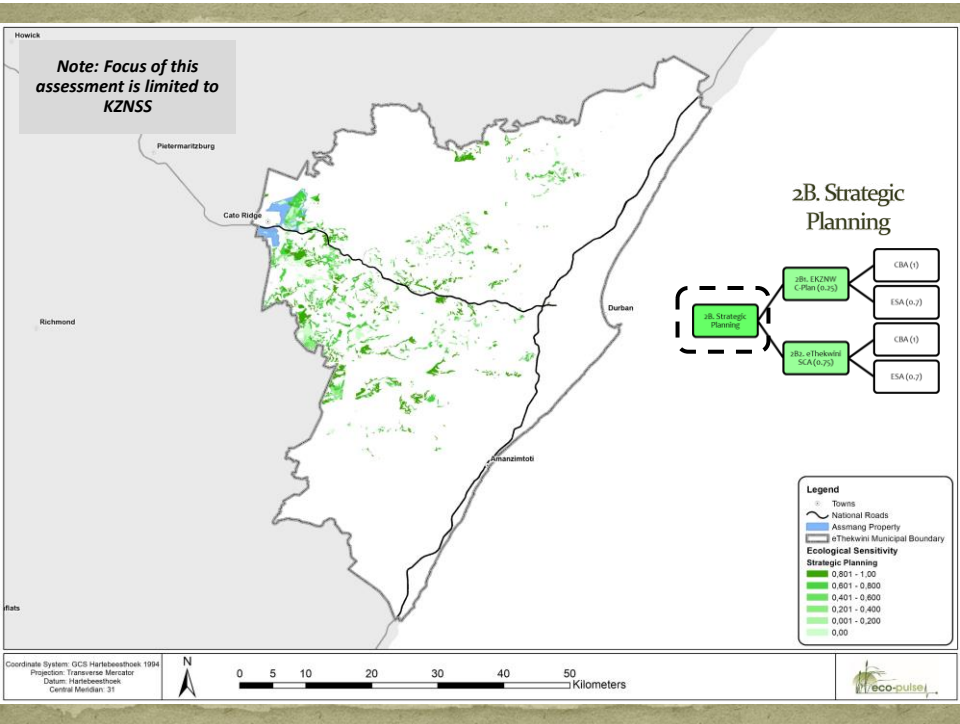
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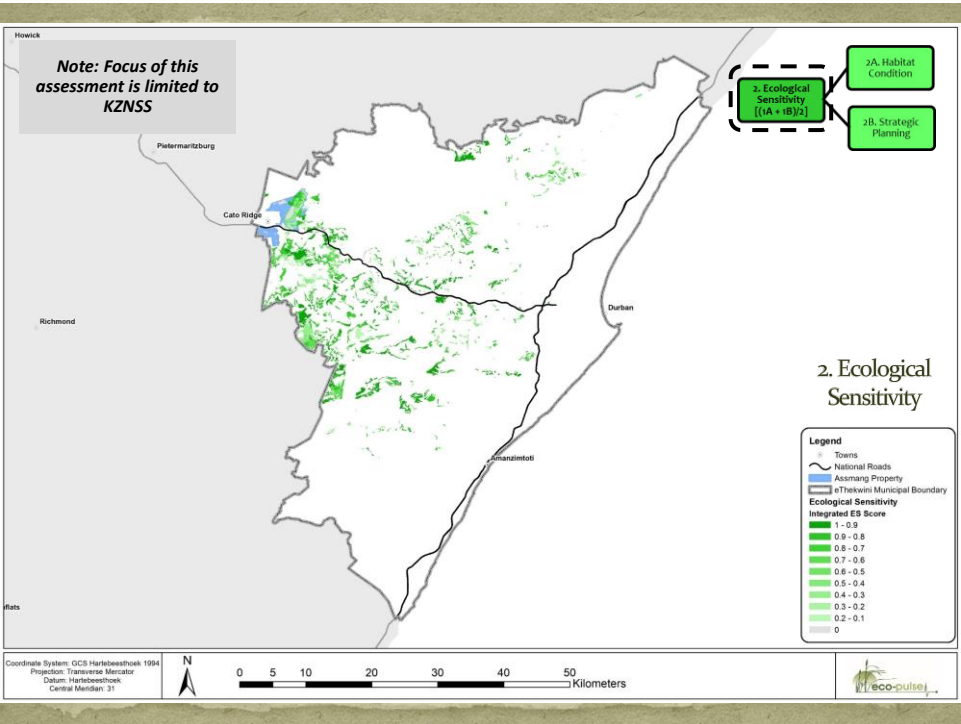
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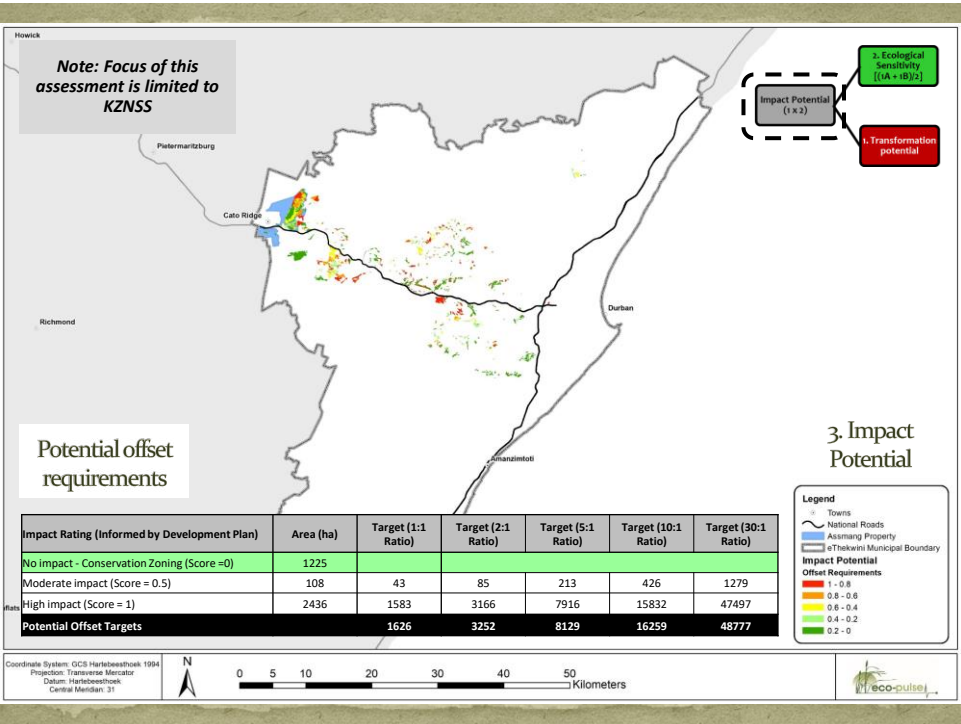
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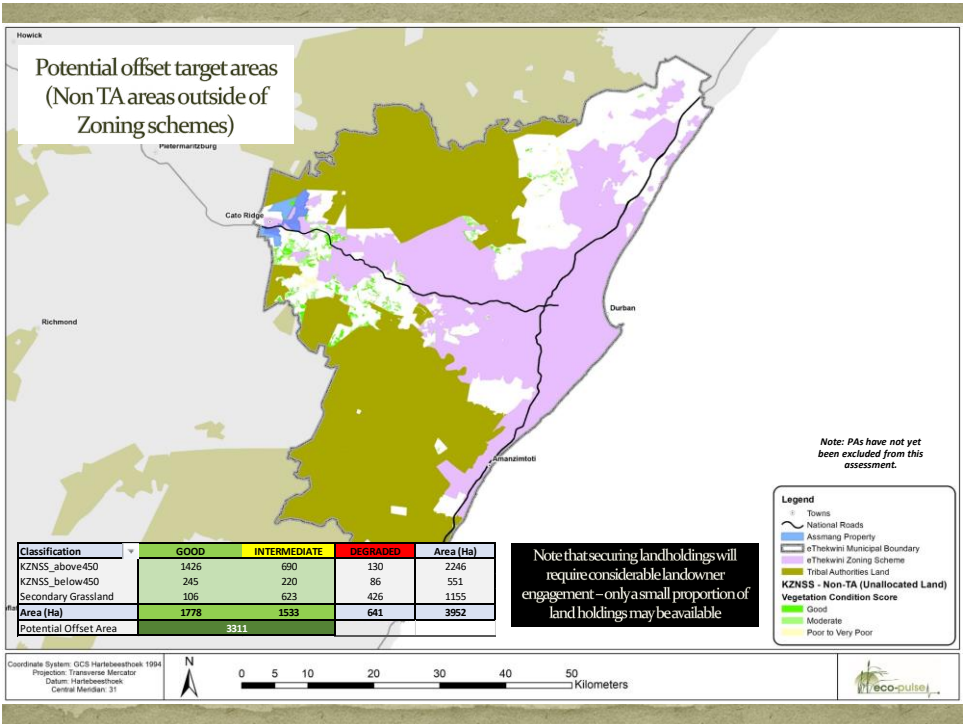
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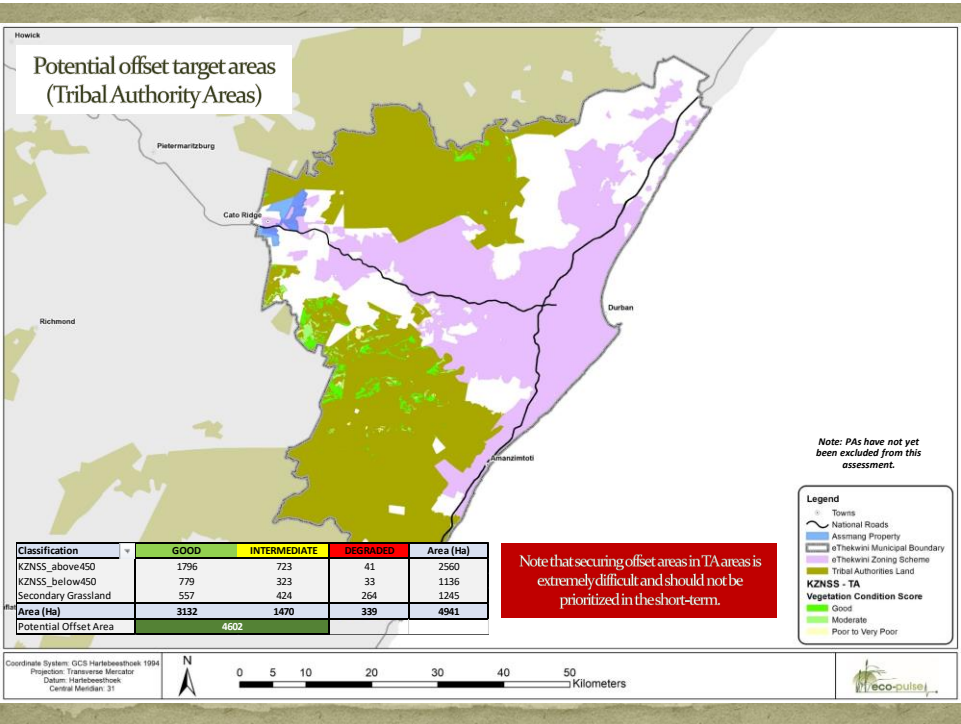
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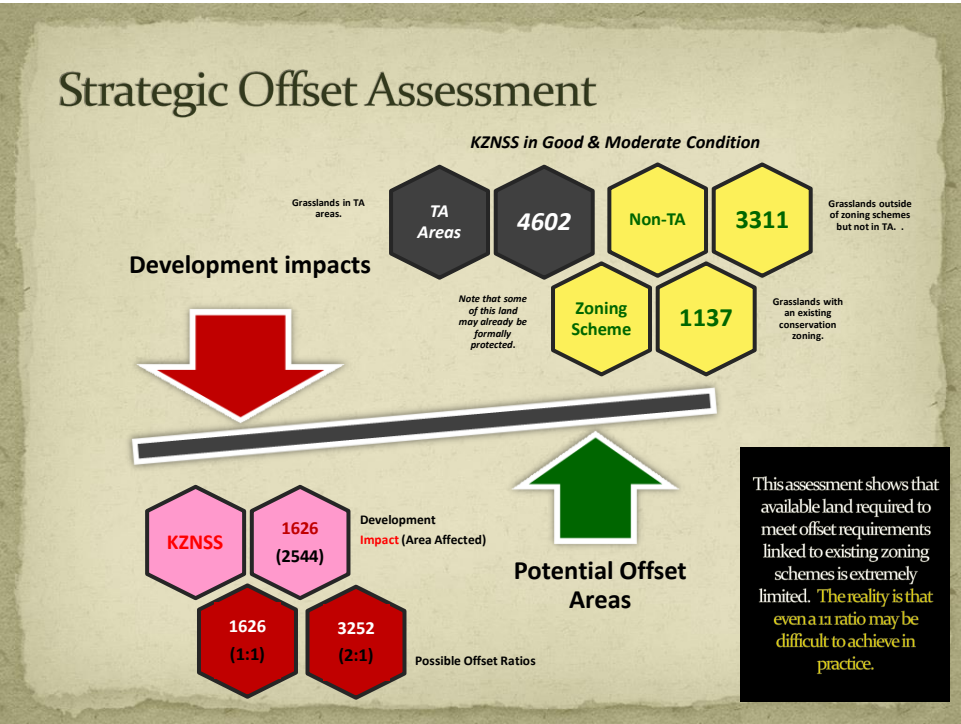
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Strategic Offset Assessment

Vegetation Type	Historic Extent (Hectares)	Current Extent (Natural)	Remaining Extent (%)	Protection Target (%)	% Protected	Recommended Offset Ratio
STATUS QUO						
SANBI 2021 (in Prep)	181200	28700	15.9	25	0.1	30:1
eThekwinini SCA (Boon et al, 2016)	66 611	9021 (Good & Intermediate)	13.5	?	0.1(?)	?
POTENTIAL IMPACTS						
Existing Zoning Schemes	-1626 H.H.E.	11.1%	10%	+2.4% (1626 H.H.E.)	1:1	
			10%	+5% (3252 H.H.E.)	2:1	

KEY FINDINGS

- This assessment highlights the plight of KZNSS in the region and implementation challenges faced with trying to balance development and conservation objectives.
- Given these statistics, impacts to KZNSS should ideally be avoided, but where a decision is taken to grant development, reasonable compensation requirements will need to be specified.

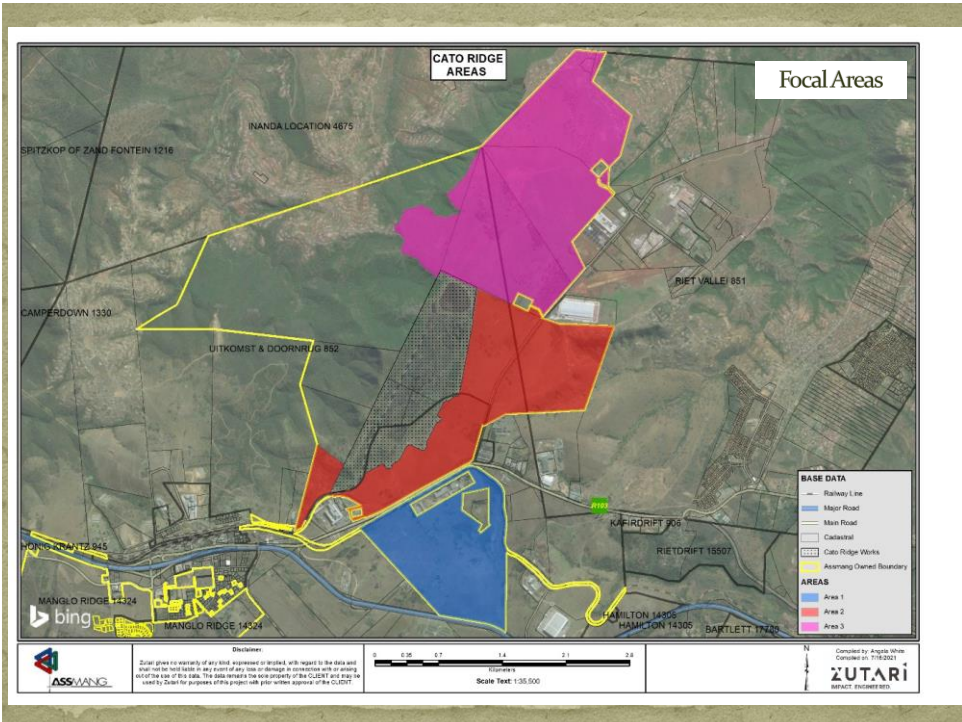
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Part 2: Assmang Properties

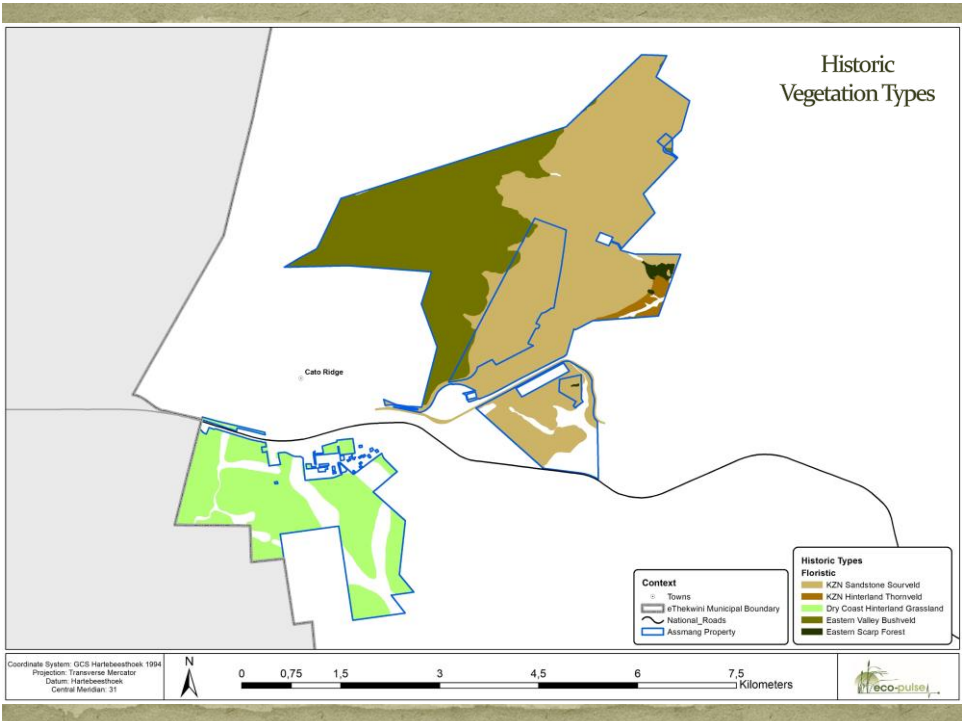
What are the impacts of planned developments on KZNSS and what implications does this have for offset planning?



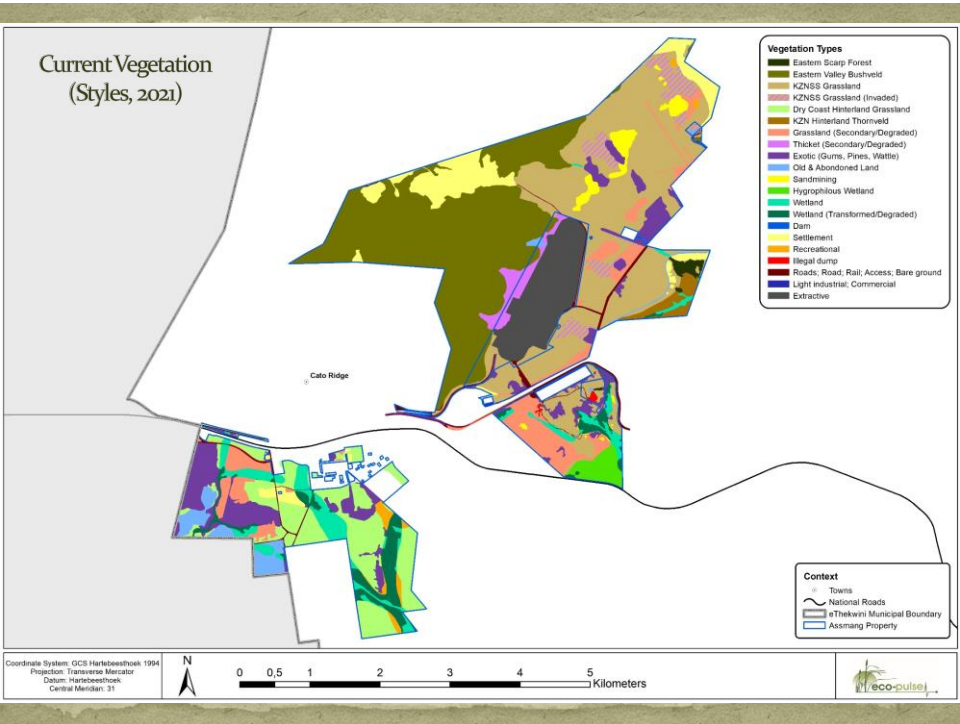
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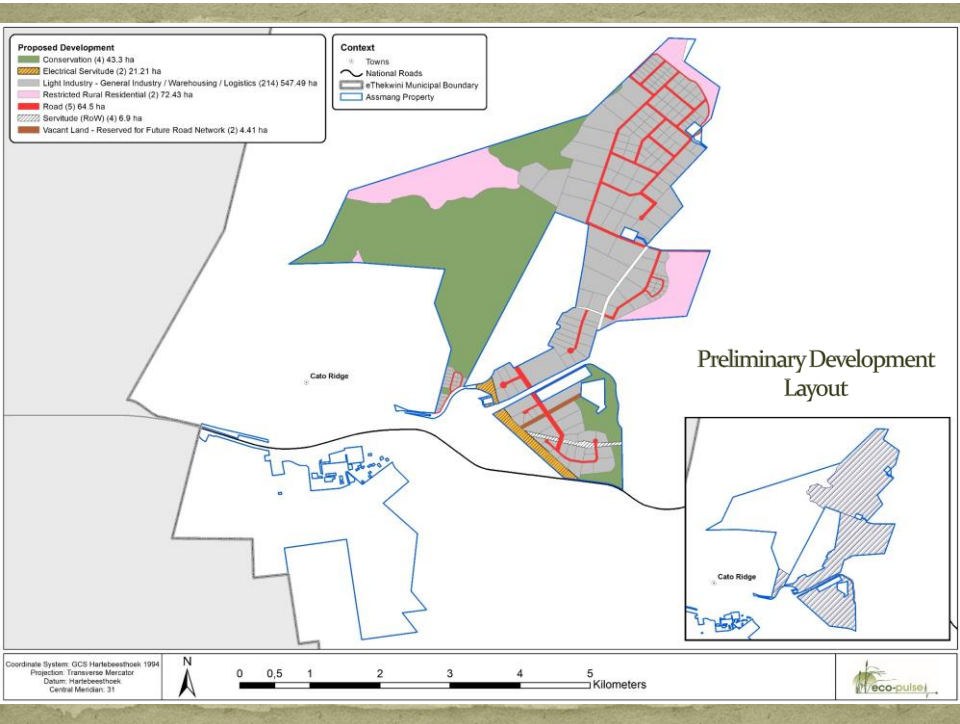
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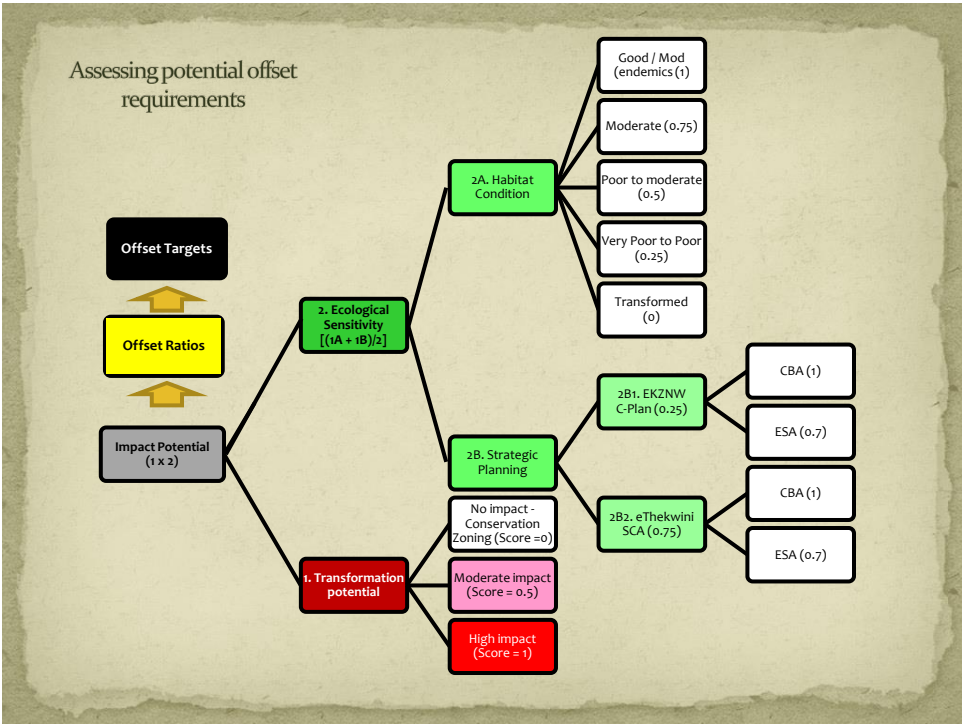
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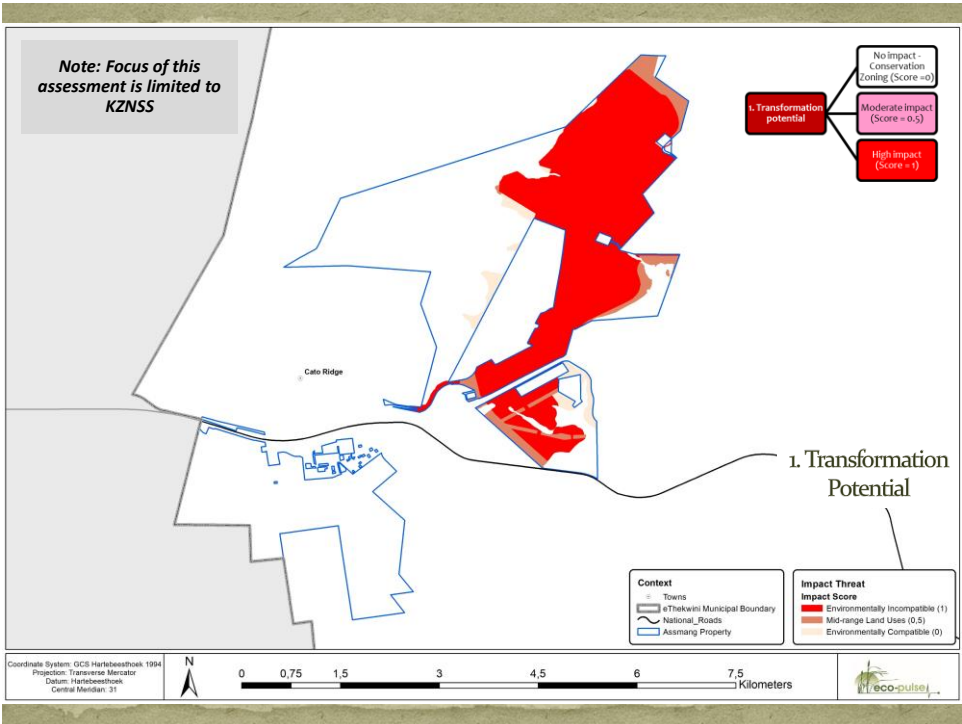
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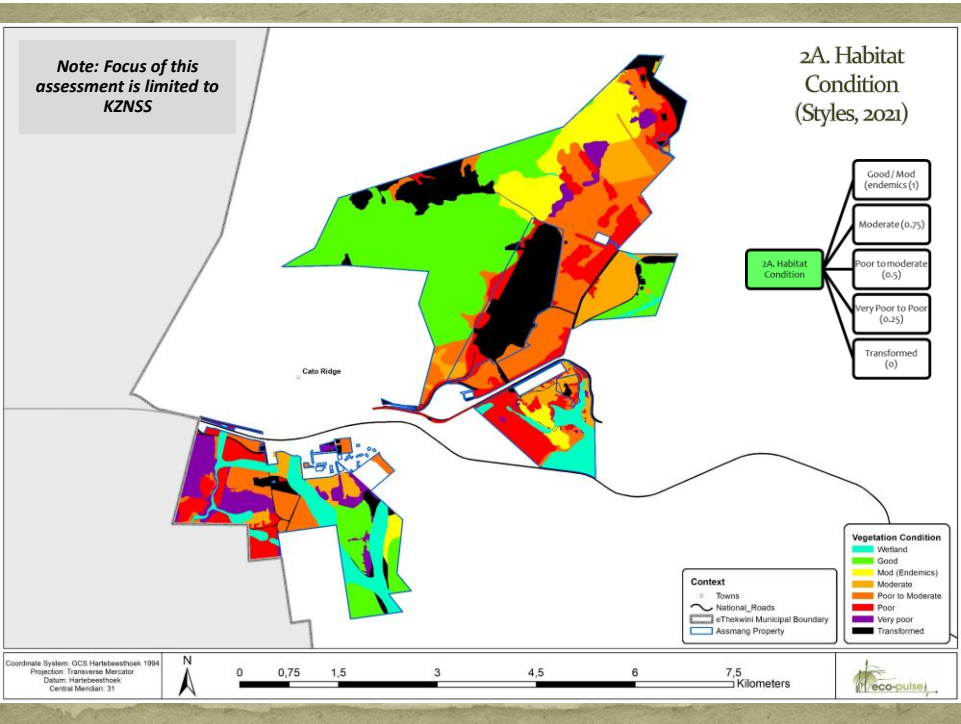
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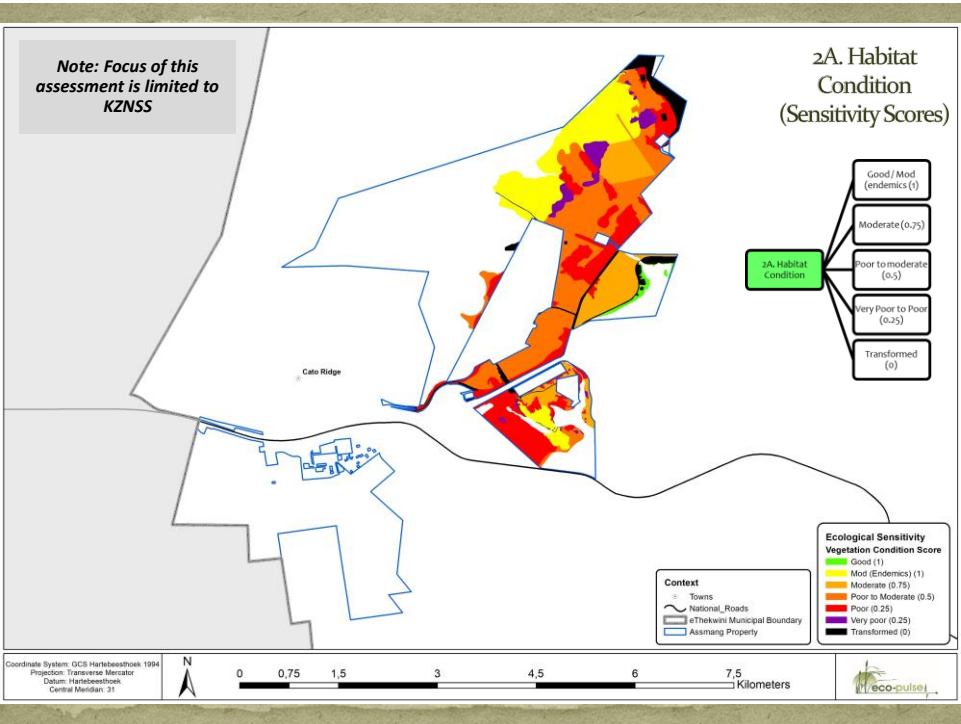
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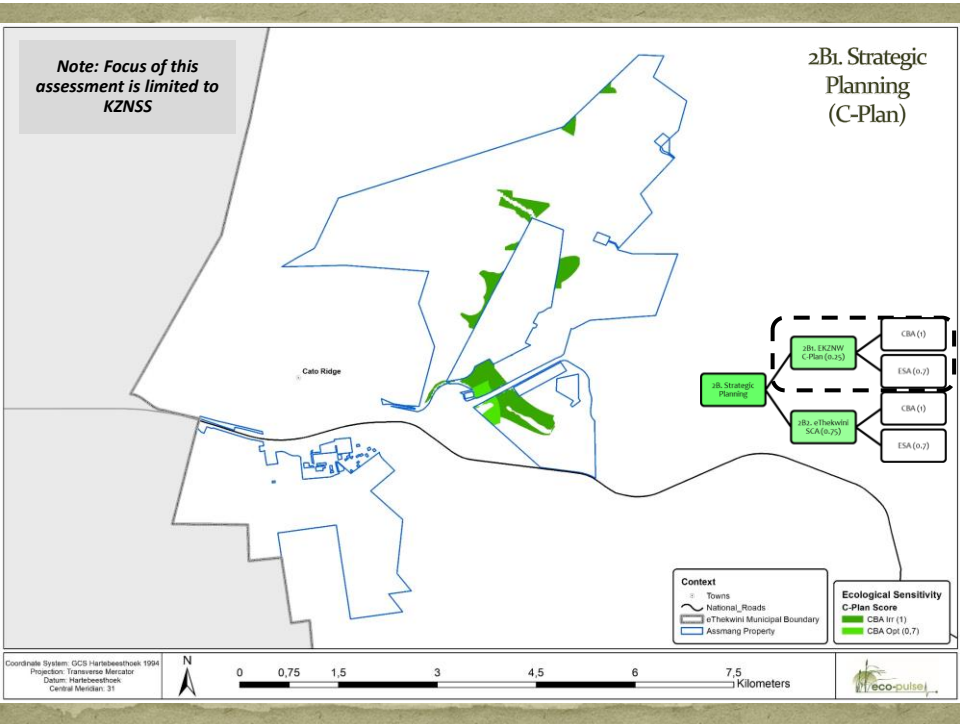
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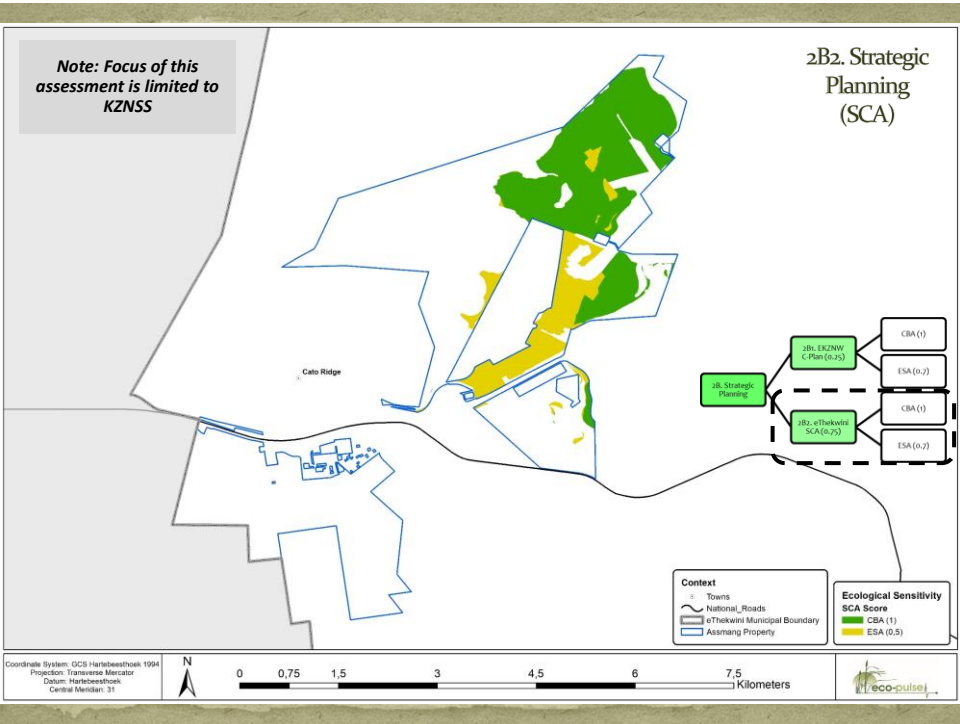
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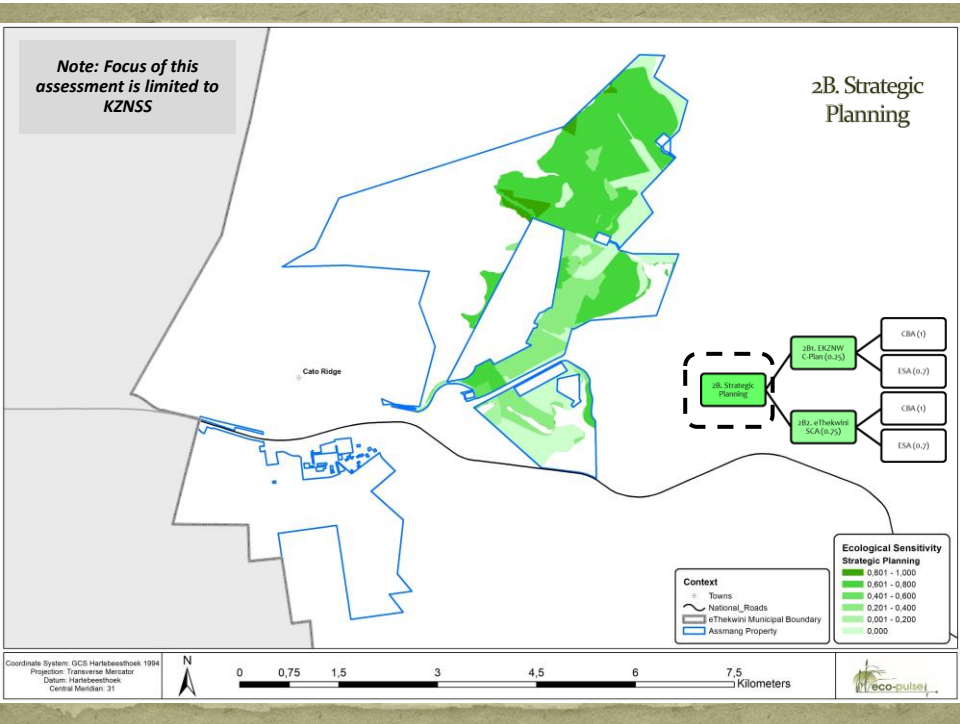
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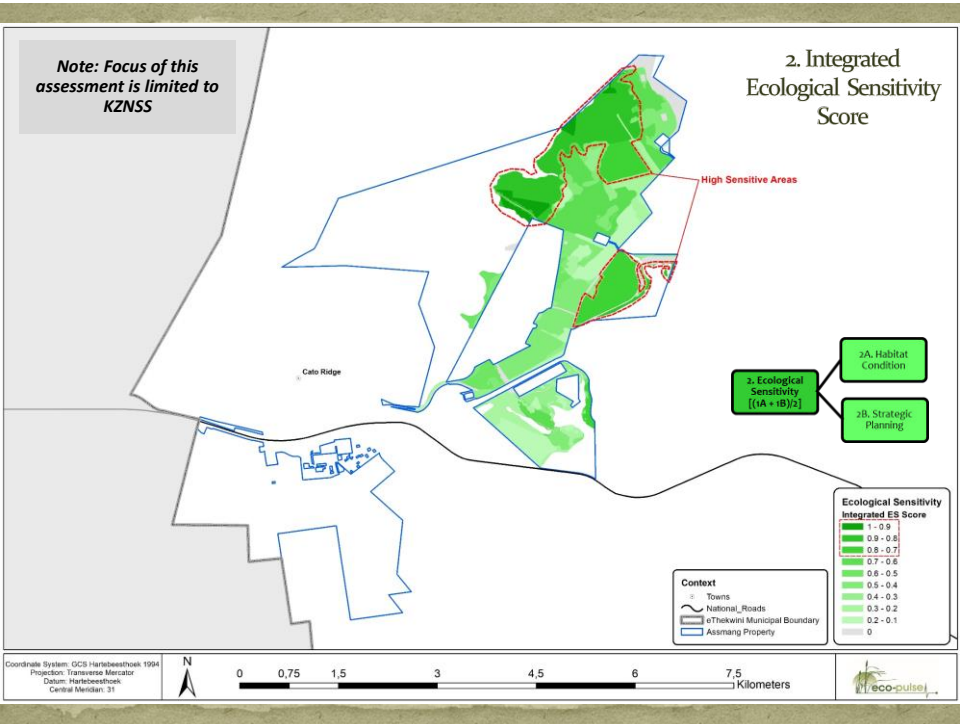
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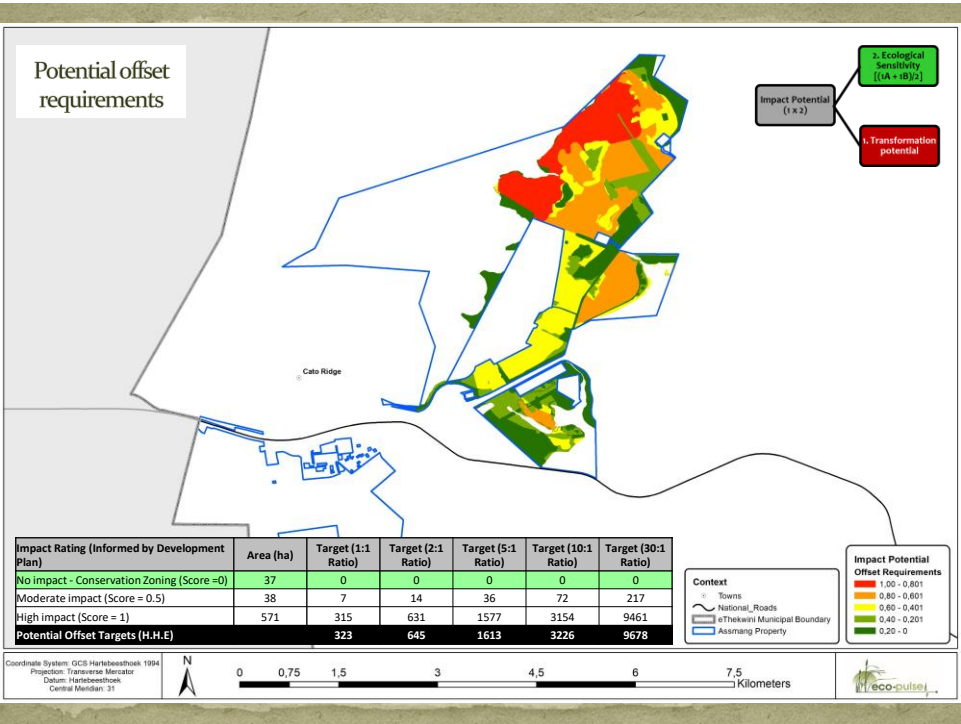
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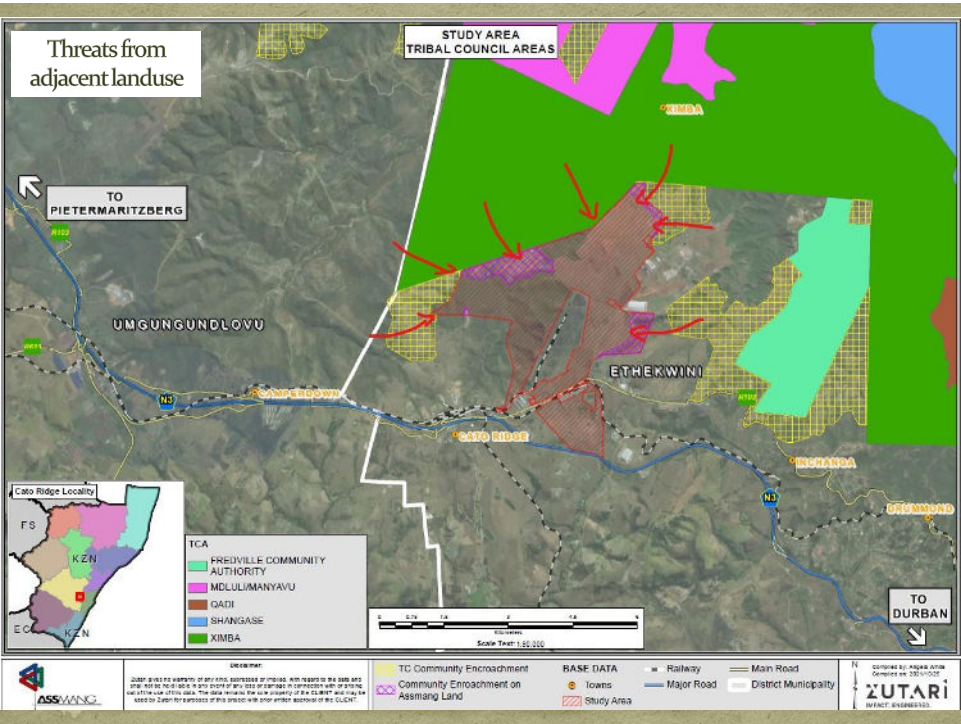
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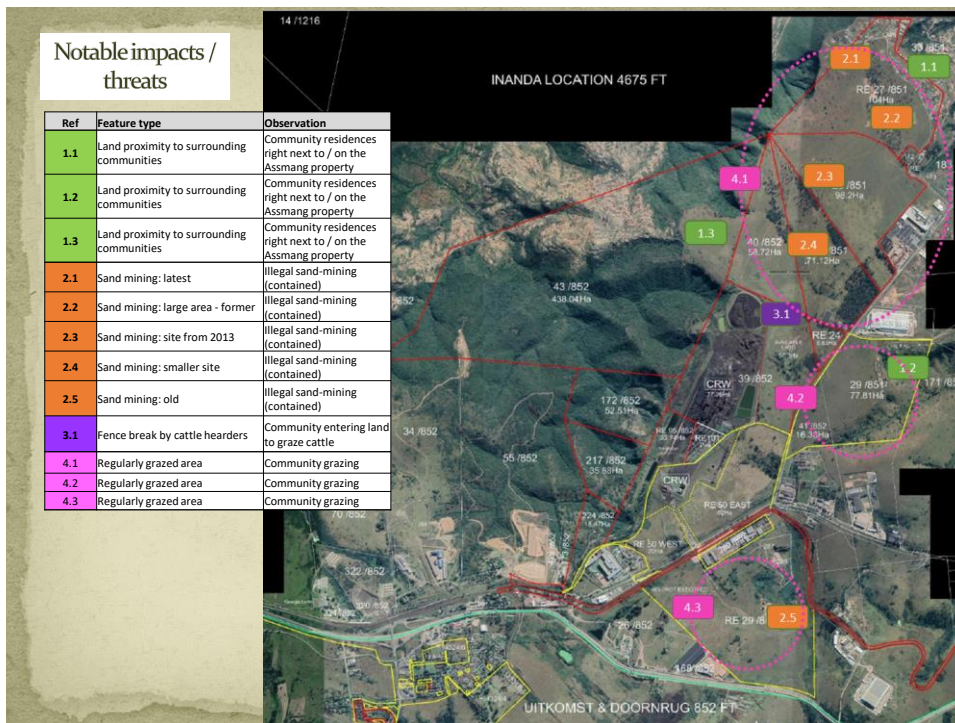
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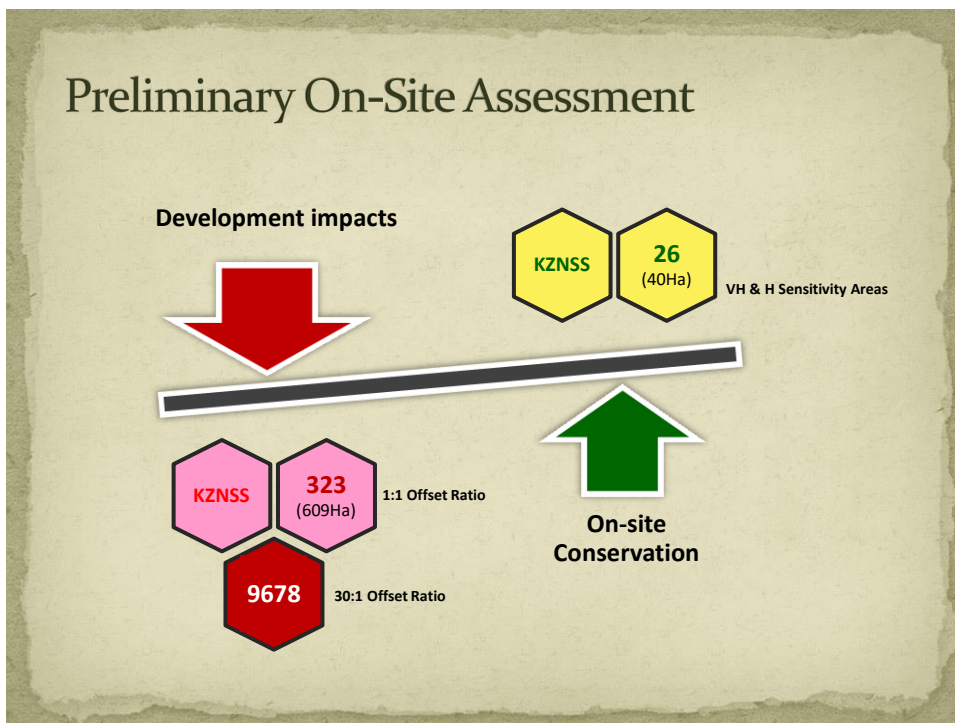
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Exploring Opportunities to secure additional areas

- A rapid assessment was undertaken to identify additional land that could potentially be used to help meet offset targets.
- Four key areas were identified for potential inclusion in the “on-site offset area”

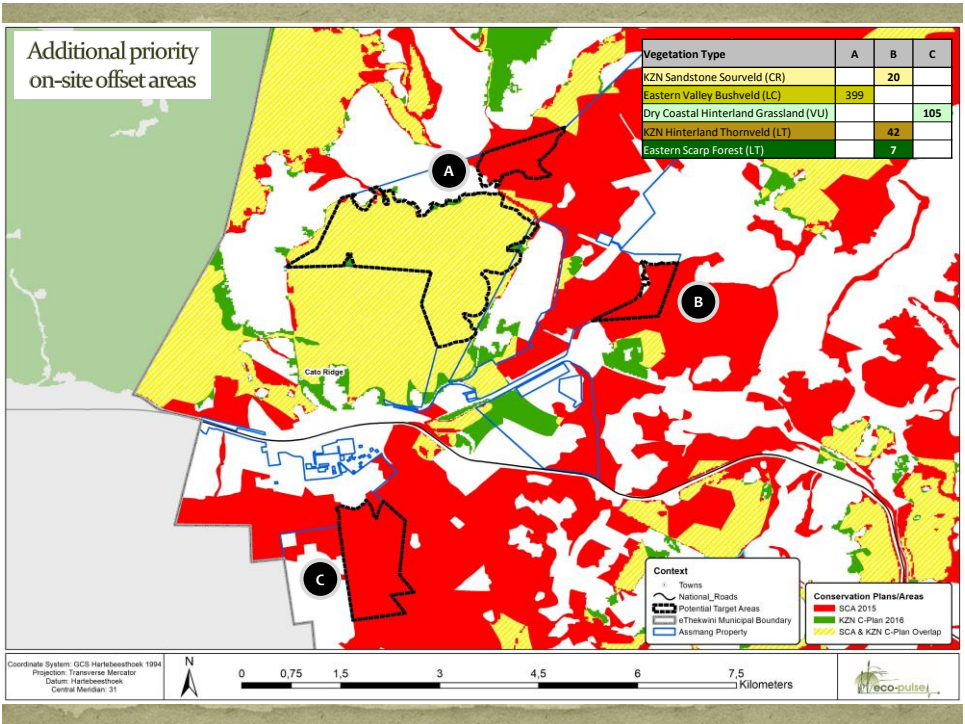
Vegetation Type	Area (Ha)	Ratio *	Potential Contribution
Eastern Valley Bushveld (LT)	399	1:5	80
Dry Coastal Hinterland Grassland (VU)	105	1:3	35
KZN Hinterland Thornveld (LT)	42	1:5	8
Eastern Scarp Forest (LT)	7	1:5	1
Potential Contribution	573		124

- Whilst “out-of-kind” offsets are generally not preferred, in this instance, it would be logical to include priority conservation areas owned by Assmang as part of the offset proposal for this project.
- *Ratios to be applied for alternative vegetation types will require further discussions with EKZNW & EPCPD

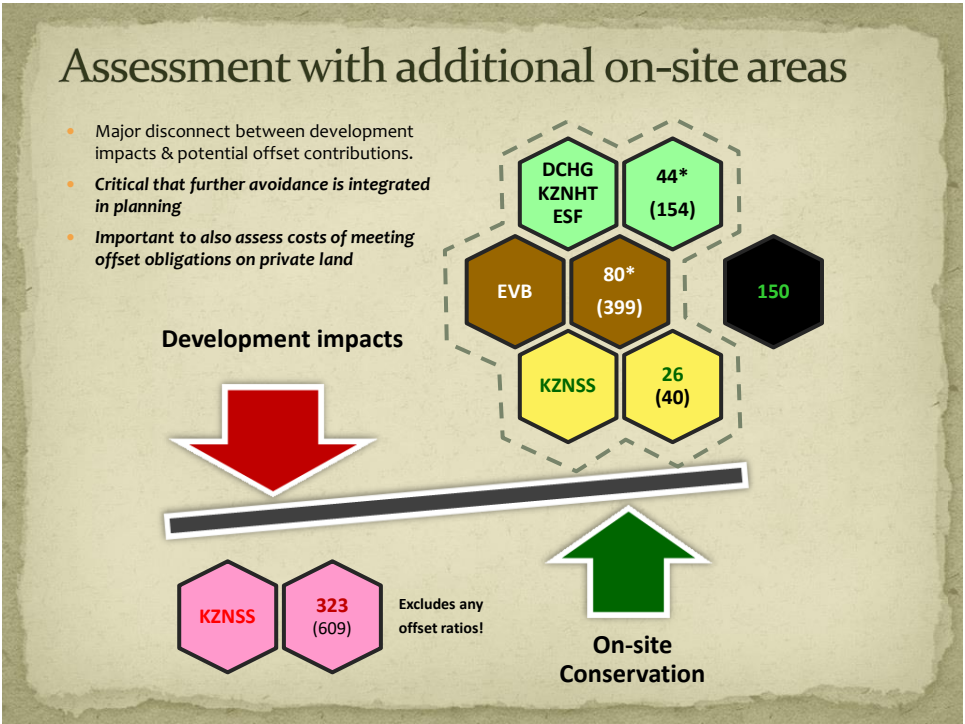
Wetland
Good
Mod (Endemic)
Moderate
Prior to Moderate
Poor
Very poor
Transformed

Ryan: Can you check area estimates please

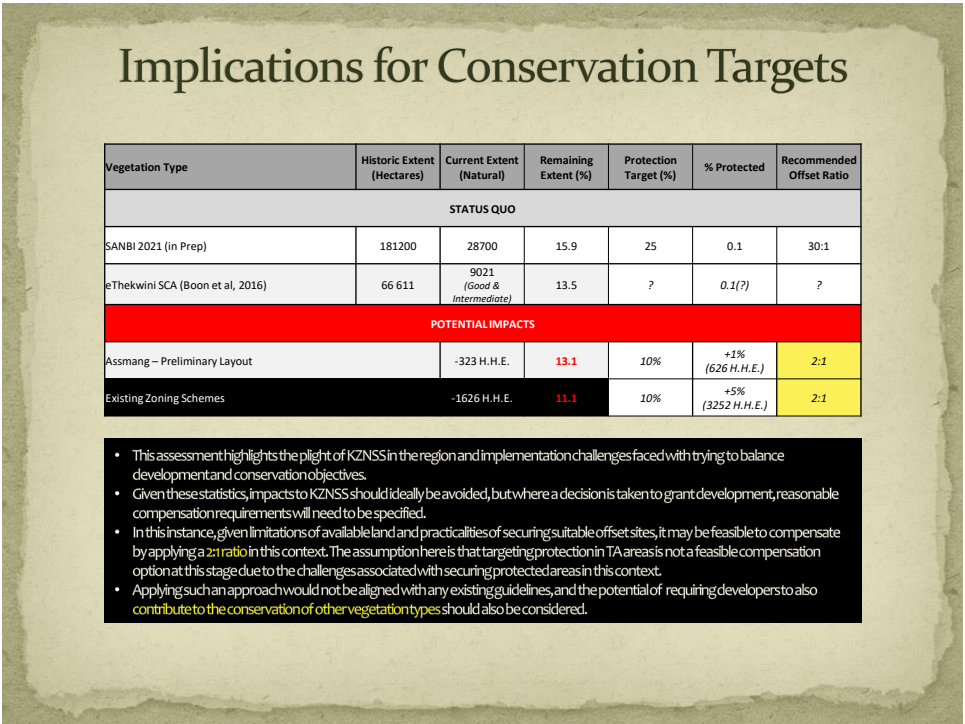
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Next steps

Site-level planning

- Further efforts are needed to **avoid particularly sensitive areas** – to be pursued further through a site visit and discussion with authorities.

Guidance from authorities

- There is a need for authorities to provide clarity on **realistic offset ratios** not only for this development but for other upcoming development proposals affecting KZNSS in the region.
- Additional guidance is required on potential **discount ratios** for the inclusion of “out-of-kind” offset sites of lower threat status in the offset proposal.

Scoping of offset opportunities on private landholdings

- The potential for meeting offset requirements through **protection of priority areas on private landholdings** will be investigated in order to obtain an indication of the potential costs associated with meeting offset obligations.
- Potential **financing and institutional arrangements** will also need to be investigated.

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