

**DEVELOPMENT OF THE RIDGE TOURISM PROJECT AT HOLE-IN-
THE-WALL ON THE WILD COAST**

FINAL SCOPING REPORT



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EXECUTIVE SUMMARY

Introduction

Terreco Consulting, Fieldwork and Ilitha Consulting in joint venture were appointed by the East Cape Development Corporation (ECDC) to undertake an independent environmental assessment of proposals for the development of tourism facilities along the Wild Coast in the Coffee Bay – Hole-in-the-Wall area, and to undertake the required environmental scoping studies. One of the proposals, known as the Ridge Development, consists of the construction of up to 50 free standing chalet units as well as restaurant facilities, curio shops and amenities, on the hillside near the Hole-in-the-Wall rock formation.

The establishment of a tourism development in what may be considered as a sensitive environment, is a listed activity and therefore requires authorisation from the Department of Economic Affairs and Tourism (DEAET) before it may proceed.

This report represents the findings of the Environmental Scoping Phase of the authorisation process and is submitted in accordance with the requirements of the Act. The purpose of scoping is to identify all potential impacts associated with the proposed development construction and operation. Potential impacts are identified through a public consultation process, desktop studies and through limited consultation with specialist scientists.

Background and Motivation

The Wild Coast in the Eastern Cape is one of the most affordable holiday locations in South Africa for domestic tourists. The Coffee Bay/Hole-in-the-Wall region in the KSD Municipality in the Eastern Cape is one of the more important tourist destinations along this coast. Given the high unemployment rates for the Wild Coast in general, there is a need for development initiatives that will help alleviate chronic poverty by providing income generating opportunities. Incopho Wild Coast Development Consortium, are a development company that have proposed a number of projects aimed at the development of tourism accommodation at Hole-in-the-Wall and Coffee Bay. The projects aim to promote tourism and create sustainable local enterprises and employment opportunities. The projects entail the structuring of community/private sector equity ventures on a 45/55 percent community shareholding/development company shareholding basis. The Kwa-Tshezi Development Trust was formed to represent the communities in the Coffee Bay and Hole-in-the-Wall Company, and Incopho Wild Coast Development Consortium and the Kwa-Tshezi Development Trust formed the Coffee Bay and Hole-in-the-Wall (Pty) Ltd Company to pursue these projects. The consultant group Coastal and Environmental Services (CES) was appointed to help the client and ECDC facilitate the development process and undertake viability studies for several of the projects, to ensure environmental and economic sustainability, and social acceptability. To address the lack of a spatial development framework for the Coffee Bay and Hole-in-the-Wall areas and provide sustainable and environmentally acceptable tourism development proposals, CES undertook a general environmental assessment of all proposed development sites and Coffee Bay/Hole-in-the-Wall area in general. CES also conducted participatory exercises with local community members, community leaders and community organisations, in order to ensure that communities affected by the developments fully understood the nature of the development proposals, and the extent to which they might both benefit and be impacted by the developments. Technical assistance grant funds were secured from the principal funders - the DBSA and the ECDC.

The original development proposals outlined seven potential tourism projects but some of the projects were considered either unsuitable or environmentally too sensitive. Three proposals were taken forward for detailed technical, financial and environmental viability studies. The development of accommodation units and restaurant facilities above the existing road and to the northeast of the Hole-in-the-Wall rock formation formed one of the proposals and is the subject of this Scoping Report.

Terreco/FieldWork/Ilitha was appointed to undertake the Scoping study for this proposal and review the viability studies prepared by CES. Dr Norbett Klages of the Institute of Environmental and Coastal Management at the University of Port Elizabeth was appointed to review the project as a whole.

Project Description

The site of the project is at Hole-in-the-Wall situated 7 km south of Coffee Bay on the Wild Coast. The proposed site is at the southern edge of the Hole-in-the-Wall residential area, on the hillside immediately above the existing road that runs past the Hole-in-the-Wall rock formation. The proposed development would be situated in a small valley that runs in a south west/north east direction and is slightly north east of the Hole-in-the-Wall rock formation where it would not be highly visible from the surrounding area and would enjoy some protection from prevailing winds. The development consists of up to 50 free standing chalet type accommodation units made up of 25 single rooms, 15 double rooms and 10 self-catering units and would provide employment for 57 local people. There are currently no existing facilities at this site, although there are two illegal shack in the near vicinity. A local person currently possesses the Permission to Occupy certificate for the proposed site. The site is covered with grassland and a few bush clumps and is of low ecological sensitivity. A small watercourse provides a drainage line more or less down the centre of the site and exits the site via a concrete pipe under the road. There is a requirement for a short access road from the existing road.

The developer would attempt to acquire additional land surrounding the developed area, which would be maintained and managed as public open space by the developer. A view point with free public access may form part of this open space area. The developer would also make application to manage and rehabilitate the coastal forest below the development.

The Affected Environment

Landform and Geology

The landform in the region is very varied. The most notable features are the many promontories, cliffs and small bays. It is a south-east facing, linear trending coastline, with irregular indented rocky shores. The regional geology of the site comprises dark grey carbonaceous shale of the Ecca Group, Karoo Sequence with subordinate mudstone and sandstone. Faulting perpendicular to the coastline is extensive. The geology of the area results in limited potential for groundwater, and the hilly topography, makes the provision of access roads problematical. There are small landslip scarps near the site as a result of near surface sloughing. These indicate ongoing soil movement and should be catered for in the design. Heave and shrinkage in building foundations as a result of the high clay content and plasticity indices are possible. This may create potential problems during construction and should be catered for in the design. A geotechnical investigation should be undertaken before developing this site.

Topography and drainage

The perennial Mpako River is the major drainage line for the area to the south of the proposed site, and forms an estuary where the river enters the sea at the Hole-in-the-Wall. To the north of the site a small perennial river forms a wetland immediately above and to the north of the Hole-in-the-Wall hotel. Between these two rivers drainage is by two small watercourses, one immediately to the north of the proposed site and a second drainage line that runs more or less through the middle of the proposed development site. Both the construction and operational phases of the development will have to ensure that erosion along this drainage line is not increased.

Climate

The climate of the region is generally moderately warm. Average temperatures range from 22.7°C in February to a 17.9°C in July and August. Humidity can be high during the summer months. Rains fall mainly in summer and may be accompanied by heavy mists on the highlands, making travel to the coast difficult.

Rainfall is in the region of 1 000 mm a year. The major winds are onshore north-easterly winds in the summer months and offshore south-westerly winds in autumn and winter.

Vegetation

The survey of the site resulted in the recognition of 3 grassland communities, a drainage line wetland community, and a floodplain grassland community. These communities are all dominated by *Stenotaphrum secundatum* accompanied by *Eragrostis plana* and *Centella asiatica*. The proposed development site was relatively disturbed by cultivation, previous homestead construction, animal trampling, grazing, and other disturbances associated with the close proximity of the gravel vehicle track. The existing vegetation (*Stenotaphrum secundatum*-*Cynodon dactylon* grassland) is not considered to be of good quality. The grasslands have a low sensitivity and the conservation potential is low. The site is relatively flat and could fairly easily be rehabilitated to its current status, if transformed. In terms of the vegetation, this site could be considered for development. The drainage line vegetation (*Phoenix reclinata*-*Eleocharis dregeana*) in the drainage wetland through the centre of the study area is in moderate condition, although impacted by trampling, grazing and other disturbance. It should be considered sensitive primarily because a river or drainage line is a 'longitudinal ecosystem'. However, it is highly unlikely that this site could harbour any threatened plant species and its transformed nature gives it a low conservation value. It also has low species richness. However, the drainage line should be maintained in a naturally functioning state.

Fauna

Terrestrial fauna

Domestic stock comprise by far the majority of the fauna in the area. Small buck such as duikers, and possibly steenbok and bushbuck may occur in very small numbers in the forest patches of the region but numbers are likely to be very low.

Birds

Three hundred and eighty species of birds have been recorded from the Coffee Bay area, with over 201 species common. It is unlikely that the proposed development would impact significantly on bird populations, particularly as the forest environments have been classified as sensitive and the grassland area affected is small, disturbed, and the biome is well represented elsewhere in the region.

Marine environment

The increase in tourism to the Wild Coast generally has meant that local people who used to harvest marine organisms for subsistence now harvest primarily for sale. This has placed at least seasonal increased pressure on these resources. Subsistence collecting has had a significant impact on the intertidal ecology of the Wild Coast, while many of the fish stocks are considered over-exploited. The proposed development would possibly contribute to this increased pressure on marine stocks. Non-extractive resource use includes dolphin and whale watching.

Sensitive Environments and/or Rare or Endangered Species

A sensitivity analysis based mainly on ecological and vegetation aspects was undertaken by CES at 36 different sites throughout the Coffee Bay – Hole-in-the-Wall region in order to produce a sensitivity map for the area. From this perspective, the proposed development is located in a non-sensitive area. However, sensitivity analyses need to include other aspects such visual intrusion in respect of "sense of place", and livelihoods. The development has the potential to impact quite heavily on the "sense place" of the rock formation view site. As far as can be ascertained there are no rare or endangered species of fauna or flora within the general confines of the Coffee Bay and Hole-in-the-Wall area, nor are there any in the immediate vicinity of the proposed development site

Current Land use

The majority of the area is given over to subsistence agriculture and grazing, with few patches of forestry occurring at sites along the coast. Small areas of Coffee Bay and Hole-in-the-Wall have been designated for urban development. The present tourism of the area is limited to two commercial hotels at Coffee Bay, a number of backpacker establishments at both Coffee Bay and Hole in the Wall, and a hotel/self-catering resort village at Hole-in-the-Wall. There are 22 legal holiday cottages at Coffee Bay and 26 at Hole-in-the-Wall. Apart from the use of the area for agriculture and grazing, there is no commercial value to the land other than for conservation and tourism.

Land Tenure

The Department of Land Affairs is currently in the process of developing legislation that will secure the rights of individuals and groups of people in cases where the land is *de facto* owned and occupied by African people but is held in trust by the Minister of Land Affairs. Interim measures have been developed to deal with situations in which decisions pertaining to land development issues are made by the rights holders who are affected.

Local Social and Economic Structure

The Coffee Bay/Hole-in-the-Wall area falls under the KSD municipality within the O.R. Tambo District Municipality. Retrenchment of people from urban areas has resulted in an increase in population in the rural areas. The average unemployment rate for the KSD municipality is 50%, although villages close to tourism nodes may have lower unemployment rates than other areas in the municipality. There is thus a great requirement for economic stimulus in the region.

The Kwa-Tshezi community, which comprises four administrative areas and 36 villages, is the most important role-player in all developments in the Coffee Bay and Hole-in-the-Wall areas. Although they will benefit from the Ridge development, not all of them are directly involved with the Coffee Bay and Hole-in-the-Wall (Pty) Ltd company. The only traditional board that is directly affected by the Ridge development is the Hole-in-the-Wall board. The others (Mathokazini, Jonga, Mawotsheni, Rhini, Kham and Hlungwana) are outside the area of immediate impact. This has created considerable problems because the developers' initial interactions with community members in the Coffee Bay/Hole-in-the-Wall area generally raised expectations that benefits other than those arising from the Trust would accrue to community members both at Coffee Bay and Hole-in-the-Wall.

Although most young people living in the area speak English fluently, they do not have a formal education and the standard of schools in the area is poor. Opportunities for formal jobs in the area are few. The three existing hotels are the major employers, acquiring their staff from the surrounding villages. Local people sell seafood and some agricultural products to hotels. Local people have developed a number of small scale activities around the growing tourism industry but the addition of the possible 57 jobs that the proposed development would provide, would make a significant economic input into the area and probably provide an increase in other tourism related income earning opportunities.

Cultural Heritage

The proposed Ridge development site and immediate surrounding area has no cultural heritage sites as far as can be ascertained, although the rock formation of the Hole-in-the-Wall is the source of a Xhosa myth about sea people who were semi-gods. The Hole-in-the-Wall rock formation is globally recognised as a symbol of the Wild Coast in South Africa. The proposed development would be visible in aerial photographs of the rock formation but there would be no impact on photographs taken from the shore. There is currently no official protection status for the Hole-in-the-Wall rock formation but there is a strong feeling among some members of the public that it should be accorded National Heritage status.

Visual Aspects

The popularity of the wild coast as a tourism destination is due largely to its unspoilt natural environment and natural aesthetic beauty. The proposed development site forms part of this unspoilt natural environment, but the existing village immediately to the north of the area contains cottages and houses, some of which are run down and in a poor state of repair, thus marring the landscape.

Public Participation Process

Process

Considerable community interaction and stakeholder engagement was undertaken by Incopho Wild Coast Development Consortium (Pty) Ltd. and CES with local villages, Community Trusts and the SDI Committee before the start of the Scoping process. Meetings were also held with the political leadership base and broad governing structures, including District and Local Municipality representatives, as far as ward councillor level, local chiefs and representatives of the community trust, and the district development agency (Ntinga). The EIA consultants held further meetings with key community members to ensure the adequacy of community interaction. Clearly, local politics has a major influence on any community involvement, and high levels of illiteracy make it difficult for many community members to understand the issue of the trust properly.

The Public Participation Process involved the identification of stakeholders and IAPs through a public advertisement, as well as drawing up a list of key stakeholders including government departments, conservation organisations, planning, aid and research NGOs, and local hotel, business and cottage owners. These stakeholders were individually notified of the project proposal, IAP meeting details, and invited to submit written comment if they were not able to attend the meeting. During the meeting, the community representatives and stakeholders were informed of the proposed projects, and the likely impacts of developments. Documents compiled by CES relating to the General Overview of the Coffee Bay and Hole-in-the-Wall area and the Ecological, Economic and Social viability of the proposed projects were made available to the public. As part of an empowerment process, before the Public Meeting, a facilitator spent three days visiting communities of the area and informing them of the date and purpose of the meeting. A public meeting preceded by a site visit was held at Coffee Bay on 30 June 2004. The Draft Scoping report was made available for comment at public venues for a period of 15 working days. The general public, relevant government departments and registered IAPs were invited through a newspaper notice, email and fax to review and comment on the Draft Report. Comments from the Draft Scoping report were incorporated into the Final Report.

Issues and Concerns

Issues and Concerns voiced by IAPs varied depending on the nature of the interest group. Within communities areas of concern were: Some of the villages have felt that they were not properly consulted in the early stages of the development process; In some areas people do not even know that there is a trust; Fears within some of the communities about who will benefit the most from the KwaTshezi Trust because of a lack of representation on the Trust. Concerns expressed during the meeting or in written communication are summarized under the following headings:

- Development without strategic planning
- Impact of development on aesthetics of the Wild Coast and “sense of place”
- Impact of development on the Hole-in-the-Wall visual experience and “sense of place”
- Land Tenure and other legal considerations
- Economic impact of the development on existing businesses
- The impact on existing Infrastructure
- Pollution and Waste Management
- The lack of time allowed for the EIA Process
- The sustainability and financial viability of the project
- The real extent of social costs and benefits for communities
- The real extent of economic benefits for communities
- The constitution of the Trust and consultation with communities
- Unacceptability of proposed alternative site
- Lack of gazetted delimitation of nodal development boundaries
- Lack of detail regarding impacts associated with required infrastructure
- Requirement for developer to undertake rehabilitation in the event of project failure
- Community dissatisfaction with developer

Assessment of Alternatives

Almost any development proposal that is located along the Wild Coast is going to encounter difficulties when it comes to acceptance by conservation authorities, members of the public, community members and a very wide range of other stakeholders. All the various concerns, limitations and interests have to be reconciled and it is for this purpose that there is a process of public participation, planning policies and commitments to sustainable resource utilisation in the widest sense. Realistically, it has to be accepted that it is not possible to satisfy everyone.

No-Project Option

Generally there appear to be more and greater negative impacts associated with the no development option than there are with the development option. These are particularly relevant in relation to the impact no development would have on the community and local economy. Further, the development has the potential

to pressure municipal authorities to upgrade many aspects of basic infrastructure that would confer real benefits on both community members and tourists.

Alternative sites

Because of the sensitivities surrounding the impact of the development on the sense of place associated with the Hole-in-the-Wall rock formation, a site over the hill immediately to the north east of the currently proposed development site was identified as a possible alternative site. It lies within the draft nodal development boundaries, has a degraded grass cover similar to the proposed site, is unlikely to impact on any sensitive habitat, and would form a part of the existing Hole-in-the-Wall village. It has some negative features in terms of a higher visual impact, sea views that incorporate the existing village, and greater wind exposure, but these can be mitigated by planting vegetation. The alternative site addresses one of the major areas of public concern that relates to the impact the proposed development would have on the on the "sense of place" of the site commonly used to view the Hole-in-the-Wall rock formation. However, the developer does not approve of the alternative site because the view will incorporate the existing Hole-in-the-Wall settlement. For unspecified reasons, one member of the community does not approve of the alternative site.

Potential Environmental Impacts

Construction and operation of the proposed development has the potential to have both negative and positive impacts on the biophysical, cultural and socio-economic environment of the Hole-in-the-Wall area. Most of the negative impacts are predictable and possible to mitigate through a sound environmental management plan.

Physical Environment

Potential impacts to the physical environment arising as a result of construction and operation include soil erosion and contamination, pollution and sedimentation of water bodies, clearing of vegetation, landscape and visual changes.

Soil erosion is potentially the most significant impact on the physical environment. Soils in the study are generally highly erodible. Without the necessary planning and protection devices, the construction and operation of the development has the potential to cause significant soil erosion. There will also be a significant impact from both construction and operation on the sense of place of the Hole-in-the-Wall rock formation.

Biological Impacts

Habitat disturbance is unlikely to be significant but could result in the encroachment of alien invasive species, and exposure of soil to erosion. Care should be taken to eradicate alien species during post construction period.

Pollution of the wetland area in the coastal forest patch below the road is potentially the most significant impact on the biological environment. If runoff, sanitation and waste management are not carefully managed they will cause eutrophication and ecological change in the wetland and the forest. The drainage line in the centre of the site is identified as a sensitive area and care should be taken to incorporate the wild date palms in the drainage line into the design of the project. Animal movements may also be somewhat curtailed by the erection of fences around the development. There may be increased seasonal pressure on marine resources collected and sold by subsistence fishers.

Socio-economic Impacts

A result of the development will be some loss of grazing for livestock and a loss of access to waterholes in the drainage line. Communities, businesses and individuals stand to benefit significantly from construction of the resort, through employment of individuals and the support of local services and suppliers. Increased markets for subsistence fisher products, curios, cultural goods and services may also result from the development.

Community and employee health and safety is identified as a further area of concern during both the construction phase and operation. Construction will involve the use of heavy earthmoving machinery in close proximity to local people and their stock. The construction phase, and to a lesser extent the operation phase, will involve a certain amount of noise pollution to residents, cottage owners and tourists.

Benefits

The primary motivation for the project is to stimulate economic development in the region. While socio-economic benefits will result directly from the construction and operation in terms of employment and the support of local business suppliers and service providers, the real benefit is likely to arise from more general economic growth and development stimulated by, increased tourism. The development may also provide an incentive to municipal authorities to upgrade the general infrastructure of the area.

Conclusions

The Wild Coast is an area of great poverty and communities have little access to economic opportunities. To a considerable degree tourism can address this need for socio-economic growth. However, the attraction of the Wild Coast as a tourism destination is due largely to its unspoilt natural environment and natural aesthetic beauty. Thus the problem for authorities and organisations tasked with poverty alleviation is to increase tourism and still maintain the wild character of the coast. To achieve this, long term planning is essential and this is the motivation behind the various drives towards establishing area specific spatial development planning frameworks, and the acceptance of a model that encourages nodal development.

The site of the current development proposal is clearly within the draft nodal boundaries established for the Hole-in-the-Wall area. Thus from a broad planning perspective the proposal is acceptable. The development site is not ecologically sensitive, since it is poor in both faunal and floral biodiversity, contains no rare and endangered species and shows signs of considerable disturbance. From a local community perspective the site is acceptable. The impacts of the proposed development on the biophysical, cultural and socio-economic environment of the area can be mitigated to an acceptable degree with careful planning and a suitable environmental management plan. The social and economic benefits associated with the development are generally positive. Thus there is essentially no requirement for a full Environmental Impact Assessment of the development proposal. However, there are a number of important issues that need to be considered

The impact that the development would have on the "Sense of Place" associated with the Hole-in-the-Wall rock formation and the nature of the Hole-in-the-Wall rock formation as a symbol of the Wild Coast cannot be effectively mitigated. For this reason the alternative site that incorporates the development into the existing village is strongly recommended.

Upmarket tourism resorts such as the proposed development require quality infrastructure. With regard to the proposed development there are two major concerns. 1. The road access to the Hole-in-the-Wall is poor and upmarket tourism is not really feasible without good road access. 2. There is no bulk water supply to the region and the district municipality water supply plan indicates that a reticulated water supply system is unlikely for several years. Upmarket tourism demands an adequate water supply.

The financial models generated for the development proposal need to be verified, and responsibility for confirming the financial viability of the project must be defined. In particular:

- The rack rates proposed for the development are higher than almost any other tourism venue along the Wild Coast.
- The rate at which occupancy levels increase from start-up is very steep.
- Envisaged occupancy levels (60-70%) appear to be based on KZN South Coast hotels, which offer visitors a completely different tourism experience to that of the Wild Coast.
- The amount budgeted for marketing and advertising appears to be low
- Engineering costs for roads appear to be low

The current development proposal has as one of its stated objectives the economic upliftment of the community members of the Coffee Bay and Hole-in-the-Wall area, through the vehicle of the KwaTshezi Trust. If the project is financially sound then it will go some way toward alleviating the chronic poverty and un-employment endemic to the area. The concerns surrounding the implementation of the project, particularly with regard to infrastructure, should be noted.

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1. INTRODUCTION

1.1 Overview

Hole-in-the-Wall (Pty) Ltd Company proposes to develop a tourism project at Hole-in-the-Wall near Coffee Bay on the Wild Coast of the Eastern Cape Province. The project, known as the Ridge Development, consists of up to 50 free standing chalets units located on the hillside near the Hole-in-the-Wall (Figure 1.1). This forms one of a number of developments which have been investigated by the developer in the Coffee Bay and Hole-in-the-Wall area.

Hole-in-the-Wall (Pty) Ltd is a consortium between Incopho Wild Coast Development Consortium and the Kwa-Tshezi Development Trust. Funding for developing this proposal is provided by the Eastern Cape Development Corporation (ECDC) and the Development Bank of South Africa (DBSA). Coastal Environmental Services (CES) were appointed to assist the client with their development proposals and to undertake a viability assessment of a number of proposed developments, including the Ridge Development.

In March 2004, Terreco Consulting, Fieldwork and Ilitha Consulting in joint venture were appointed by the ECDC to undertake an independent environmental assessment of the proposed Ridge Development in accordance with Sections 21, 22 and 26 of the Environment Conservation Act, Act 73 of 1989. According to the Schedule provided in terms of Section 26 of the Act, the establishment of a tourism development in what may be considered as a sensitive environment, is a listed activity and therefore requires authorisation from the Department of Economic Affairs and Tourism (DEAET) before it may proceed. This report is submitted in fulfilment of the DEAET's requirements as outlined in their EIA regulation guideline document (DEAT, 1998).

The purpose of the Environmental Scoping exercise is to identify potential impacts associated with the project through a process of stakeholder and public consultation and initial investigations, and to provide a recommendation to the DEAET on the way forward in terms of further investigations, should these be required.

1.2 Background to project

Incopho Wild Coast Development Consortium, are a development company that have proposed a number of potential tourism projects at Coffee Bay and Hole-in-the-Wall, in the KSD Municipality in the Eastern Cape. The projects aim to promote tourism and create sustainable local enterprises and employment opportunities. The projects entail the structuring of community/private sector equity ventures for the development of tourism accommodation at Hole-in-the-Wall and Coffee Bay. Incopho Wild Coast Development Consortium and the Kwa-Tshezi Development Trust formed the Coffee Bay and Hole-in-the-Wall (Pty) Ltd Company. The Kwa-Tshezi Development Trust was formed to represent the communities in the Coffee Bay and Hole-in-the-Wall Company. The Kwa-Tshezi community is the most important role-player in the area, representing four administrative areas encompassing 36 villages, and they are the legal shareholders in the Kwa-Tshezi Trust. The Coffee Bay and Hole-in-the-Wall (Pty) Ltd Company is structured on a 45/55 percent community shareholding/development company shareholding basis.

The **original** development proposals outlined seven potential tourism projects. These were:

- The refurbishment of the ablution and administrative facilities in the Coffee Bay campsite and the establishment of a small number of self catering chalets within the campsite.
- The development of camping sites and self catering chalets within the coastal forest situated directly in front of the Hole-in-the-Wall rock formation.

Figure 1.1 Locality Plan



FIGURE 1.1 : LOCALITY PLAN

**PROJECT:
HOLE-IN-THE-WALL RIDGE
DEVELOPMENT**



Scale: Approx 1: 60 000

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- The construction of accommodation units at the base of the hills and on the floodplain of the Mapuzi River approximately three kilometres north of Coffee Bay, the construction of a small craft harbour/marina for about 20 boats and privately owned water front apartments with moorings on the Mapuzi estuary. The proposal also included the establishment of a local fishing company with local community members
- The development of accommodation units and restaurant facilities on the ridge directly above and overlooking the Hole-in-the-Wall itself.
- The development of a traditional village type accommodation complex on the coast at Hlungulwana, approximately half way between Coffee Bay and Hole-in-the-Wall.
- The upgrading of the existing Matokazi airfield on the hills to the north of Coffee Bay.
- The re-development of the old Coffee Bay golf course and the construction of a new clubhouse.

The original project proposals encountered difficulties and Coffee Bay and Hole-in-the-Wall (Pty) Ltd approached the Development Bank of South Africa (DBSA) and the East Cape Development Corporation (ECDC) to form a partnership to help fund and guide a process, to reassess the original proposals and to arrive at alternative proposals if the original proposals proved unacceptable on any one of a number of counts. The consultant group Coastal and Environmental Services (CES) was appointed to help the client and ECDC facilitate this process and undertake a viability study for proposed tourism development in the Hole-in-the-Wall and Coffee Bay area by assessing various development proposals for the area, with a view to ensuring environmental and economic sustainability and social acceptability. Technical assistance grant funds were secured from the principal funders - the DBSA and the ECDC.

After a preliminary investigation by the CES team, some of the projects outlined above were considered either unsuitable at the present time, or environmentally too sensitive. The remaining project proposals were modified somewhat and subjected to detailed technical, financial and environmental viability studies by CES. The projects that were seriously considered were:

- The development of accommodation units and restaurant facilities in a small depression between two hills above the existing road and to the northeast of the Hole-in-the-Wall rock formation (hereafter known as the Ridge development);
- The development of a traditional village type accommodation complex on the coast at Hlungulwana, approximately half way between Coffee Bay and Hole-in-the-Wall; and
- The construction of accommodation units at the base of the hills and on the floodplain of the Mapuzi River approximately three kilometres north of Coffee Bay

The upgrading of the Coffee Bay campsite is still considered an acceptable project, but the benefits that it would bring to the communities of the area are relatively small. As a result, the detailed financial viability analysis and impact assessment has been postponed.

The Wild Coast in general has great natural scenic beauty and is one of the few southern African coastal areas that have not as yet been subjected to large-scale development processes. However, development pressures are escalating rapidly as a result of drives to increase tourism to the area, in an effort to stimulate both the national and local economies. A major problem confronting regional and local planning authorities is the lack of a spatial development framework for the Wild Coast in general and the Coffee Bay and Hole-in-the-Wall areas in particular. *Ad hoc* development proposals have the capacity to impact on future sustainable development and conservation planning. The proposed projects are located in areas that involve communal lands and fall under the jurisdiction of several different government departments such as DWAF, DLA and DEAET. Although Coffee Bay and Hole in the Wall have been identified as development nodes

by the Wild Coast Tourism Development Policy, two of the proposed developments fall outside of currently designated draft nodal areas.

In an attempt to address the lack of a spatial development framework and provide sustainable and environmentally acceptable tourism development proposals, CES undertook a general environmental assessment of all of the three proposed development sites and Coffee Bay/Hole-in-the-Wall area in general, to ensure that the proposed developments were located in environmentally non-sensitive areas along the coast. CES also conducted an initial participatory exercise with local community members, community leaders and community organisations, in order to ensure that communities affected by the developments fully understood the nature of the development proposals, and the extent to which they might both benefit and be impacted by the developments. An independent EIA consultant (Terreco/FieldWork/Ilitha) was appointed to undertake the Scoping Studies and review the viability studies prepared by CES. DBSA also required that a review consultant be appointed to review the entire EIA process to ensure that it meets the legal requirements.

To fulfil these requirements, a multidisciplinary team, the Terreco/FieldWork/Ilitha Joint Venture was appointed by the East Cape Development Corporation to provide a primary independent assessment of the environmental impacts of the potential tourism development projects proposed for the Coffee Bay and Hole-in-the-Wall areas. Their terms of reference included the review of all the environmental and public participatory work conducted by CES and, if required, the undertaking of the environmental scoping exercises for the development proposals. Dr Norbett Klages of the Institute of Environmental and Coastal Management at the University of Port Elizabeth was appointed to review the project as a whole.

CES provided documents for review in three volumes. These consisted of 1. A General Overview of the Coffee Bay and Hole-in-the-Wall region 2. A Financial Viability analysis of the proposed projects (Coastal & Environmental Services in association with Avis Carter and Logie; Leonard Tebutt Accounting Services; Peter Myles – Centre for Tourism Studies 2004) 3. An Ecological, Economic and Social Viability analysis of the proposed projects. The Terreco/FieldWork/Ilitha review of these documents indicated that the lack of strategic development planning in the Coffee Bay and Hole-in-the-Wall area and the location of the proposed Maphuzi and Hlungulwana developments outside the currently suggested nodal development boundaries are fundamental problems for these two developments. The review document is attached as **APPENDIX A**. The document should be read in conjunction with the CES response to the review comments, given in **APPENDIX B**. Thus a decision was taken by the project steering committee that all effort should be placed into completing a Scoping Study for the development proposed for the ridge above and to the northeast of the Hole-in-the-Wall rock formation. This development lies within the proposed nodal boundaries of the Hole-in-the-Wall area and is thus less problematic. It is also financially the strongest of the three proposals.

During and after the Public Participation process, strong negative feelings in relation to the development proposals were expressed by many people. These negative feelings towards development were sometimes a blanket negativity directed towards development along the Wild Coast as a whole without differentiating between the various proposals. This was perhaps a result of inviting comment for three proposals at the same time. It is therefore important that IAPs who comment on this draft Scoping Report understand that it deals exclusively with the Hole-in-the-Wall Ridge development. The Hlungulwana and Maphuzi projects require a more intensive study and at this stage the EIA consultants will focus only on identifying issues at the Hole-in-the-Wall site. **The Hlungulwana and Mapuzi Projects do not form a part of this Scoping Report.**

The implementation of the Ridge Development project will involve listed activities in terms of Section 26 of the Environment Conservation Act, Act 73 of 1989, and therefore requires an application to the Department of Economic Affairs, Environment and Tourism, for authorization to proceed. The project will require additional authorizations from the Department of Land Affairs and possibly the Department of Water Affairs and Forestry. This Scoping Report is submitted in support of an application for Authorisation to the Department of Economic Affairs, Environment and Tourism in terms of Section 22 of the Environment Conservation Act 1989 (No 73 of 1989), and is concerned with the proposal for development on the hillside and ridge above the existing road past

the Hole-in-the-Wall. However, it is almost impossible to exclude entirely comment regarding the other two proposals and their sensitivities, because they relate both to the Coffee Bay/Hole-in-the-Wall area as a tourism destination and the way tourism developments will impact on the socio-economic situation of the communities of the area.

Much of the basic information covering a general description of the environment (temperature, climate, geology and landform etc) was compiled by CES in the course of their general assessment of the Coffee Bay and Hole-in-the-Wall area. This information has been used more or less verbatim in this Scoping Report, since it is very general in nature and there is nothing further that can be added to it. CES also conducted a general ecological sensitivity analysis of the Coffee Bay and Hole-in-the-Wall region and this is also discussed in this report (See Chapter 6 – The Affected Environment). The complete report forms part of Volume 1: General Overview of the Coffee Bay and Hole-in-the-Wall region. More detailed information has been compiled by Terreco/FieldWork/Ilitha with regard to aspects of the social and physical environment that might be impacted by the development, and these data together with the CES information inform the recommendations and conclusions. A number of Maps and Figures generated by CES in the course of their studies have also been used in this document and they have been acknowledged.

2. APPROACH

2.1 General

The scoping study was undertaken according to National Environmental Requirements which are embodied in Sections 21, 22 and 26 of the Environment Conservation Act, Act 73 of 1989. This report has been prepared with reference to the EIA Guideline Document published by the National Department of Environment Affairs (DEAT, 1998).

The scoping phase of the EIA process as defined by the DEAT is highlighted in **Figure 2.1**.

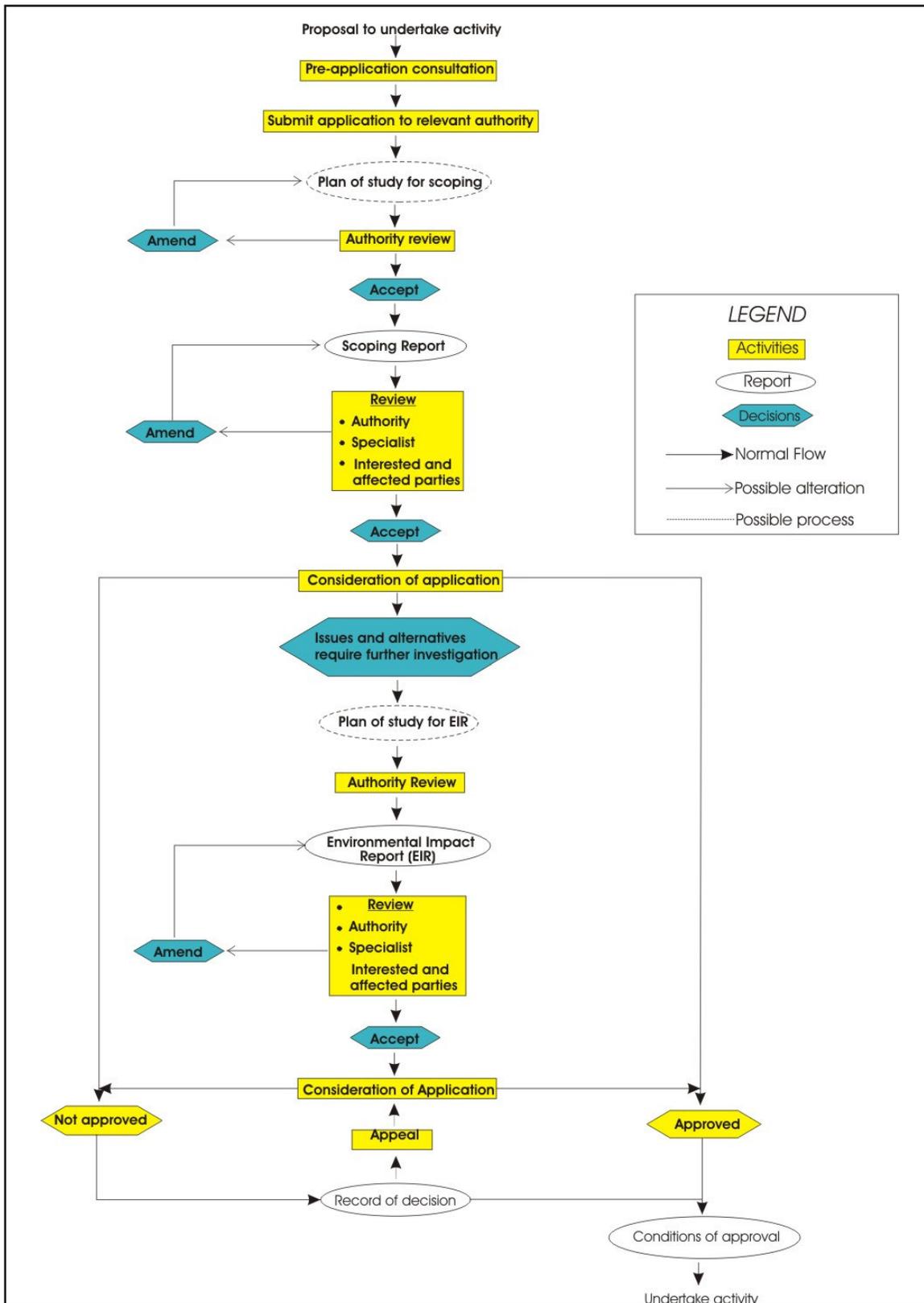
The approach to the environmental scoping has been defined in consultation with the client, the Project Steering Committee and the Provincial DEAET, and is described in detail in the Plan of Study for Scoping. The Plan of Study for Scoping was finalised and submitted to DEAET's regional office in Umtata on the 13/5/2004 together with the Application for Authorisation (**APPENDIX C and D**).

2.2 Objectives of the Scoping Study

The overall objectives of the environmental scoping exercise are defined as follows:

- To fulfil the requirements of Sections 21, 22 and 26 of the Environment Conservation Act;
- To inform the public and key stakeholders of the Project and to provide them with an opportunity to express any concerns or issues and to participate in the EIA process;
- To identify possible fatal flaws associated with the Project and to assess potential alternatives. A "fatal flaw" constitutes an impact of HIGH significance and which cannot be managed to an acceptable level. Alternatives that avoid this impact should be considered;
- To provide input into the planning and design for proposed development; and
- To identify all potential impacts and provide the terms of reference for further investigations required to assess these impacts during the EIA, should this be required.

Figure 2.1 Environmental Impact Assessment Process (DEAT, 1989)



2.3 Integrated Environmental Management (IEM)

The IEM procedure, which is outlined in Chapter 5 of NEMA, provides a framework for the integration of environmental issues into the planning, design, decision-making and implementation of plans and development proposals. The general objectives of Integrated Environmental Management are to:-

- Promote the integration of the principles of environmental management in the making of all decisions which may have a significant effect on the environment;
- Identify, predict and evaluate the actual and potential impacts on the environment, socio-economic conditions and cultural heritage; the risks and consequences and alternatives and options for mitigation of activities, with a view to minimising negative impacts and maximizing benefits and promoting compliance with the principles of environmental management;
- Ensure that the effects of activities on the environment received adequate consideration before actions are taken in connection with them
- Ensure adequate and appropriate opportunity for public participation in decisions that may affect the environment;
- Ensure the consideration of environmental attributes in management and decision-making which may have a significant effect on the environment; and
- Identify and employ modes of environmental management best suited to ensure that the particular activity is pursued in accordance with the principles of environmental management.

Through implementing the principles of IEM, potentially significant impacts may be avoided through changes to the development proposals and consideration of alternative sites, for example. Changes to the Hole-in-the-Wall development proposals as a result of the CES sensitivity analyses, illustrates the implementation of IEM principals. CES have worked closely with the Project Steering Committee, which includes the developer (Hole-in-the-Wall (Pty) Ltd), the Kwa Tshezi Trust and funding agencies (ECDC and DBSA) in order to identify potential impacts early on in the planning process and thereby to mitigate or minimise adverse consequences of the development.

2.4 Consultation and Public Participation

Because of the sensitivities and complexities surrounding developments along the Wild Coast, and because there is as yet no proper development planning framework for the area, the developers, funding partners and environmental consultants all acknowledged the need for informing and consulting with as wide a range of Interested and Affected Parties (I&APs) as possible in the siting of any development in the Coffee Bay/Hole-in-the-Wall area. Public consultation and social facilitation was seen as a crucial part of this study. Local stakeholders range from tourist orientated commercial hotels at Coffee Bay (2) and Hole in the Wall (1), to back packer and self catering establishments, as well as holiday cottage owners (48), trading store owners, tribal community members and local township residents. In addition, because of the unique status of the Wild Coast in terms of scenic beauty, biodiversity, sense of place and wilderness, historical poverty and lack of any infrastructure, there is a much wider group of stakeholders that includes various conservation, and social and economic orientated, government and non-government organisations. Apart from these, there are many individuals who have at one time or another had an association with the Wild Coast and who feel an attachment to, and interest in, its continued existence as one of the few remaining coastal wilderness areas. The public participation exercise was designed to ensure that all those involved or who might be affected by the proposed development had adequate opportunity to raise any issues of concern. Details of the Public Participation Process are discussed in Chapter 7 of this report.

2.5 Methodology

The methodology proposed for the study is described in detail in the Plan of Study for Scoping (see **APPENDIX D**). Generally, it comprised a combination of desktop studies, review of information collected by project technical advisers (CES), site visits and public participation. The process adopted for the scoping studies has been based on DEAT's EIA Guideline document. This Scoping Report highlights the key issues.

The scope of work for undertaking the Environmental Scoping was therefore defined as follows.

Authority Consultation. Ongoing consultation with DEAET, DLA, and King Sabata Dalindyebo Municipality officials during the course of the environmental studies and during the preparation of the Environmental Scoping Report.

Public Participation. The detailed approach to the public participation component of the scoping studies is presented in Chapter 7. The objective of the public participation process was to identify and inform all key stakeholders and major role players about the Project and to involve them in the process of identifying potential impacts and benefits of the proposed development.

Review Existing Information. Collection and review of available information including Project information, maps, reports, orthophotos, baseline studies, etc. A review of the existing information and Project Viability Reports produced by CES was undertaken by Terreco/FieldWork/Ilitha and submitted to the project steering committee on 1/6/04 and is contained in **APPENDIX A**. This document should be read in conjunction with the CES reply to these review comments contained in **APPENDIX B**.

Site Visits. An initial assessment of the proposed site and its surroundings was undertaken by road on 26-27 April 2004. A second site visit was conducted with a specialist grasslands botanist on 5-6 July 2004 in order to evaluate the sensitivity of the proposed development site in terms of the vegetation and other ecological processes.

Specialist Involvement. The involvement of specialists was limited in this phase of the scoping studies to providing input based on current understanding, a broad evaluation of the vegetation types and ecological sensitivities in the Coffee Bay/Hole-in-the-Wall area as a whole (Roy Lubke - CES), a review of these data (David Hoare) and an evaluation of the grassland areas of the proposed development sites (David Hoare).

Identification of Potential Impacts and Benefits of the Project. Potential impacts and benefits of the Project and its alternatives were identified in the processes outlined above, and are described in Chapter 8. Any issues or potential impacts that may constitute a fatal flaw in terms of the construction and/or operation of the Project are highlighted.

3. LEGAL REQUIREMENTS

Because of poorly planned and unplanned developments in the past, the Wild Coast is subject to strict legal frameworks to prevent illegal developments in the future. There is also legislation aimed at providing a more equitable distribution of resources in general than has occurred in the past, with a recognition that the natural resource base of the country belongs to all its citizens and should be used for the benefit of all. In terms of the Environmental Conservation Act and the Transkei Decree, the Department of Economic Affairs, Environment and Tourism are responsible for approving all developments within a strip 1 km inland of the high water mark along the entire Wild Coast. Depending on the location and circumstances of the project, developments may require additional authorisations from the Departments of Land Affairs, and Water Affairs and Forestry.

3.1 National Acts and Regulations

3.1.1 The Constitution of South Africa, Act No 106 of 1996

The Constitution of South Africa provides for an 'environmental right' (contained in the Bill of Rights, Chapter 2). In terms of Section 7, the State is obliged to respect, promote and fulfil the rights in the Bill of Rights. An obligation is placed on the State to give effect to the environmental right. This states that everyone has the right:

- "to an environment that is not harmful to their health or well-being,
- to have the environment protected, for the benefit of present and future generations, through reasonable legislative and other measures that:
 - prevent pollution and ecological degradation,
 - promote conservation,
 - secure ecologically sustainable development and use of natural resources while promoting justifiable economic and social development."

3.1.2 National Environmental Management Act No 107 of 1998

This has largely superseded the Environment Conservation Act, and serves as a framework for sound environmental management, in which development must be socially, environmentally and economically sustainable.

Section 2(1) of the National Environmental Management Act (NEMA) sets out a range of environmental principles that are to be applied by all organs of state when taking decisions that significantly affect the environment. Included amongst the key principles is the directive that all development must be socially, economically and environmentally sustainable, and that environmental management must place people and their needs at the forefront of its concern, and serve their physical, psychological, developmental, cultural and social interests equitably.

A number of principles are applicable to the proposed development. These include the following:

- Environmental management must be integrated, taking into account the effects of decisions on all aspects of the environment and on all people;
- Environmental justice must be pursued to ensure that adverse impacts are not distributed in a manner so as to unfairly discriminate against any person, particularly vulnerable or disadvantaged persons;
- Equitable access to environmental resources, benefits and services to meet basic human needs and to ensure that human well-being is pursued;
- The participation of IAPs in environmental governance must be promoted;

- Community well-being and empowerment must be promoted through environmental education;
- The social, economic and environmental impacts of activities, including disadvantages and benefits, must be considered, assessed and evaluated, and decisions must be appropriate in light of these considerations; and
- Decisions must be taken in an open and transparent manner.

3.1.3 Environment Conservation Act, No 73 of 1989

Much of the Environmental Conservation Act (ECA) has been replaced by NEMA. However, certain provisions of the Act (particularly Regulations promulgated in terms of the Act) have not as yet been repealed. These include Control of Activities that may have a Detrimental Effect on the Environment (Part V).

The amendments to the EIA Regulations were published on the 25 June 2004 and are currently in circulation. These amendments are intended to streamline the EIA Process, reduce the number of decisions required by officials and provide for sound decision-making through the provision of adequate information.

In terms of the current regulations, Section 1 of Government Notice R1138 (5 September 1997) provides a schedule of activities which may have a substantial detrimental effect on the environment, and which as a result are required to be authorised by the Department of Environment and Tourism before they can proceed.

The construction of public and private resorts and any associated infrastructure are listed activities and therefore require an application to DEAT for authorization to proceed. The DEAT Guideline Document for the Implementation of Sections 21, 22 and 26 of the Environment Conservation Act provides a clear indication of the procedures to be followed in the EIA Process.

3.1.4 National Water Act, No 36 of 1998

The National Water Act (NWA) provided fundamental law reform relating to water resources. The preamble to the Act recognises that the ultimate aim of water management is to achieve sustainable use of water for the benefit of all users, and that the protection of the quality of water resources is necessary to ensure sustainability of the nation's water resources in the interests of all water users. The purpose of the Act is stated, in Section 2 as, *inter alia*;

- Promoting the efficient, sustainable and beneficial use of water in the public interest,
- Facilitating social and economic development,
- Protecting aquatic and associated ecosystems and their biological diversity; and
- Reducing and preventing pollution and degradation of water resources.

3.1.5 National Forests Act, No 84 of 1998

The principles of the National Forests Act pertain to:

- The protection of natural forests (except under exceptional circumstances where the Minister determines that the proposed new land use is preferable in terms of its economic, social or environmental benefits);
- The conservation of a minimum area of each woodland type; and
- The management of forests to ensure sustainability of resources (wood, soil, biological diversity, etc)

In terms of Section 7 of the Act, no person may cut, disturb, damage or destroy any indigenous living tree in, or remove or receive any tree from a natural forest without a permit or exemption from the Minister. The Minister may declare protected areas in terms of Section 8 of the Act. He may also declare certain trees, trees species, groups of trees, woodlands as specifically protected in

terms of Section 112 of the Act. Part 4 of the Act gives the Minister the power to intervene urgently to prevent deforestation and to rehabilitate deforested areas.

3.1.6 National Heritage Resources Act, No 25 of 1999

The purpose of the Act is to;

- Introduce an integrated and interactive system for the management of the national heritage resources;
- Promote good government at all levels, and empower civil society to nurture and conserve their heritage resources so that they may be bequeathed to future generations;
- Introduce an integrated system for the identification, assessment and management of the heritage resources of South Africa;
- Control the export/import of nationally significant heritage objects;
- Enable the province to establish heritage authorities which must adopt powers to protect and manage certain categories of heritage resources; and
- Provide for the protection and management of conservation worthy places and areas by local authorities.

Part 2 of the Act provides for the protection and preservation of structures, sites of archaeological and palaeontological sites, meteorite sites, burial grounds and graves, public monuments and memorials. It also includes the procedures and requirements for heritage resources management.

While there are no graves or other areas of religious or cultural heritage significance in the proposed development area, the legend of the Hole-in-the-Wall is part of the Xhosa mythology and the amaXhosa have a special name (esiKhaleni – the place of the sound) for the rock formation as a result of the myth.

3.1.7 The Sea Shore Act, No 21 of 1935

The Sea-shore Act enshrines the principle that the sea and sea shore is open to and accessible for use and enjoyment of the public at large. The Sea-shore Act defines and vests ownership of the sea and sea-shore in the State President. Although the Act is dated, the provisions protecting the public interest are still of vital relevance today.

3.1.8 Land Use Planning Ordinance, 15 of 1985, and National Land Use Planning Commission Act, No 3, 1984

The Land Use Planning Ordinance allows for changes to land use, subdivision of plots, rezoning of land etc. The National Land Use Planning Commission Act creates the National Land Use Planning Commission (NLUPC) whose most significant functions are to prepare regional physical land use plans, formulate land use policies for implementation by the government and to specify standards, norms and criteria for protection of beneficial uses and maintenance of the quality of land.

As an advisory organ, the NLUPC is also to recommend measures to ensure that government policies, including those for the development and conservation of land, take adequate account of their effects on land use, stimulate public and private participation in programmes and activities related to land use planning for the national beneficial use of land and seek advancement of scientific knowledge of changes in land use and encourage the development of technology to prevent or minimize adverse effects that endanger mans' health or welfare. Section 2 of the Act defines a "beneficial use" as "a use of land that is conducive to public benefit, welfare, safety or health."

3.1.9 Interim Protection of Land Rights Act of 1995

Interim Protection of Land Rights Act was passed by parliament in 1995. This Act provides for the protection of informal rights and interests in land and provides protection against eviction while the much more extensive Communal Land Rights Bill is being developed. This Bill, discussed further

under the following section, will establish a formal system which acknowledges and administers existing land rights in the former homeland areas.

3.1.10 Communal Land Rights Bill (B67 of 2003)

The Communal Land Rights Bill, which was passed by the National Assembly on the 12/02/2004, provides an administrative system for the transfer of land to communities in traditional areas such as former homelands and independent states (such as the Transkei). In terms of the Bill, land will no longer be registered in the name of the state or the minister. The Bill will allow communities the choice in how they want the land to be administered. The options are for land to be registered in the name of a community, household, family or individual ownership.

3.1.11 Transkei Decree

The Wild Coast is also subject to the Transkei Decree 9 of 1992 which is administered along most of the coastline and relates to developments within a strip 1 km inland of the high water mark. This Decree sets out the laws relating to the conservation, management, protection, and commercial utilization of indigenous fauna and flora within this area. A large portion of coastal land within the former Transkei, however, still falls under communal tenure and is controlled by tribal authorities. In order for the proposed projects to continue an application in terms of the Transkei Decree is required and a Development Permit in terms of this Decree will have to be drafted if the EIA record of decision is favourable (Mr G. Gabula DEAET).

3.1.12 Municipal Systems Act of 2000

The Municipal Systems Act requires municipalities to provide services to communities in a financially and environmentally friendly way. Thus at local level municipalities are obliged to ensure that planning and implementation are consistent with sustainable development. Each local, metropolitan and district municipality is required by the Act to develop an Integrated Development Plan (IDP), which is the primary planning instrument that informs and guides all planning and development in a municipality.

Although this document exists for the King Sabata Dalindyebo Municipality, it deals with planning issues in a very general way. Of major importance to this Scoping Report is the lack of a local strategic development plan for the Coffee Bay and Hole-in-the-Wall areas. In the interests of transparency, the King Sabata Dalindyebo Municipal Planning Department has been kept fully informed of the progress of the proposal. Officials responsible for infrastructure development are invited to all Steering Committee meetings. Ongoing consultation with the relevant authorities, including the Nature Conservation section of the DEAET, other departments of the King Sabata Dalindyebo Municipality and the Department of Land Affairs, has been a feature of the development process. King Sabata Dalindyebo Municipality are in the process of appointing consultants to complete a strategic development planning framework for the area around Coffee Bay and Hole in the Wall.

3.1.13 Additional Legislation

Additional legislation which may be of relevance to the project includes:

Occupational Health and Safety, No 85 of 1993
Conservation of Agricultural Resources Act, No 43 of 1983
Eastern Cape Agricultural Development Act, Act No.8 of 1999
Atmospheric Pollution Prevention Act, No 45 of 1965
Hazardous Substances Act, No 15 of 1973

3.2 Draft Bills

3.2.1 Eastern Cape Environment Conservation Bill (PN 4 OF 23 February 2001)

The Bill has been published for general information and comment. The purpose is to consolidate the laws relating to environmental conservation in the Eastern Cape, to provide for Conservancies, and to provide for matters incidental thereto. The Bill repeals a number of Acts including:

- Seashore Act, 1935 (No.21 of 1935) and related Seashore Amendment Acts i.e. No. 60 of 1959, No.45 of 1969, No. 38 of 1972. No 17 of 1979 (Transkei), except where the legislation relates to ports and harbours;
- Nature Conservation Ordinance (No. 19 of 1974);
- Environmental Conservation Act (No. 10 of 1987) Ciskei;
- Environmental Conservation Decree (Decree No.9 of 1992) – Transkei;
- Nature Conservation Amendment Decree (1992) – Ciskei; and
- Problem Animal Control Ordinance, 1957 (No 26 of 1957)

3.2.2 National Environmental Management: Air Quality Bill, 2003

The National Environmental Management: Air Quality Bill, which is currently in draft form, seeks to repeal the Atmospheric Pollution Prevention Act and to provide the framework for governance of air quality management through the establishment of national norms and standards, and a regulatory framework for an air quality management planning and reporting regime and numerous regulatory instruments for the control of air pollution and a comprehensive approach to compliance and enforcement.

3.2.3 National Environmental Management, Biodiversity Bill

This act falls within the framework of the National Environmental Management Act and provides for:

- The management and conservation of biological diversity within the Republic and of components of such biodiversity;
- The use of indigenous biological resources in a sustainable manner; and
- The fair and equitable sharing of benefits arising from bioprospecting of genetic material derived from indigenous biological resources;

Furthermore it gives affect to ratified international agreements relating to biodiversity which are binding on the Republic, it provides for co-operative governance in biodiversity management and conservation, and provides for a South African National Biodiversity Institute to assist in achieving the objectives of this Act.

3.3 Plans, Policies and Guiding Principles

3.3.1 The White Paper on Sustainable Coastal Development.

This policy aims to achieve sustainable coastal development through a dedicated and integrated coastal management approach. Spatial planning within the policy aims to promote coastal tourism, leisure and recreational development and improve public access to the coast and coastal resources. It further states that coastal planning must promote distinctively coastal development opportunities and non-coast dependent developments must be relocated inland. Nodal development and densification of existing nodes must be encouraged and the design and location of new structures in the coastal zone must not impair the natural visual beauty of the coast. The policy also states that physical development in high risk coastal areas must be avoided.

3.3.2 Provincial Spatial Development Plan

The Eastern Cape has approved a Provincial Spatial Development Plan which has significant implications for the Wild Coast. The plan supports the view that the focus of development should be on developing nodes and areas where economic opportunities can be stimulated, particularly in the central and eastern areas of the province. The plan identifies key spatial development issues, main development nodes and zones where development should be encouraged. It aims to encourage consolidated settlement through the improved provision of infrastructure and facilities in targeted areas reinforcing the strategic advantages offered by coastal tourism nodes. For the coast in general the plan discourages linear development and places emphasis on the establishment of nodal developments to build on existing strengths and minimize environmental impacts. Although the boundaries of the various nodes have not been formally defined, the proposed site for the Ridge development at Hole-in-the-Wall falls within draft boundary lines. The plan also outlines environmentally sensitive areas where development should not be permitted. These are:

- State forests
- Dune forests and estuaries
- Within 30 m of watercourses along major rivers
- Game reserves and nature sanctuaries
- Slopes steeper than 1:6
- Historic heritage sites
- River basin catchment areas

3.3.3 Eastern Cape Coastal Management Programme

The provincial coastal management programme is a provincial interpretation of the National White Paper for Sustainable Coastal Development and as such has similar goals and objectives. The programme sets out a vision to optimize the benefits which can be derived from the coastal zone while eliminating the threats of unsustainable utilization. Tourism development falls within this vision as it allows optimal use of coastal resources in a non-consumptive manner. The proposed project falls within the vision of the provincial coastal management programme.

3.3.4 Eastern Cape Tourism Master Plan.

The East Cape Tourism Master Plan describes the O.R. Tambo district municipality as a developing rural tourism region famous for its Wild Coast. It recommends that future tourism development and promotion should focus on eco-tourism, cultural tourism and adventure tourism. It proposes the development of a tourism route within the coastal area, and promotes the area on the strength of the pristine coastline, the shipwrecks, and the unique rock formation of the Hole-in-the-Wall.

3.3.5 Wild Coast Tourism Development Policy

The Wild Coast has been defined as a Spatial Development Initiative (SDI) with tourism as the lead sector. The objectives of the SDI are:

- Generate sustainable economic growth and development in undeveloped areas
- Generate long term sustainable employment for local inhabitants of the SDI area
- Maximise private sector investment in the SDI area

The Policy provides a framework for tourism development within the Wild Coast region and provides guidelines for tourism development and management, as well as:

- Environmental policy guidelines for tourism development and management.
- Institutional arrangements necessary for the implementation of the policy.
- Procedures for tourism development applications

The Policy recognizes that the principal asset of the Wild Coast as a tourism destination is the beauty of the unspoilt natural environment, and therefore while there needs to be a focus on

sustainable tourism and economic development, at the same time the area requires protection and conservation.

The policy provides spatial and planning guidelines and identifies 6 first order nodes and 13 second order nodes where development should be concentrated. The Policy also defines two other zones, namely eco-tourism **Special Control Environments** and **No Development Zones**, although these zones are not spatially defined within the Policy. Definitions of these zones are provided in more detail in **APPENDIX E**.

The spatial boundaries of the first and second order nodes and the special development and no development zones have recently been defined spatially by Tshani Consulting (2003). Within the immediate Coffee Bay and Hole-in-the-Wall area there are no **No Development Zones**. The inter-nodal areas between Coffee Bay and Hole-in-the-Wall and between Coffee Bay and the Mtata River are defined as **Special Control Environments**. Within these Special Control Zones limited development is permitted but it must conform to the tourism and environmental guidelines in the WCTDP. The proposed Ridge Development at Hole-in-the-Wall is located within a demarcated node.

3.3.6 O.R. Tambo District Municipality Integrated Development Plan

The coastal area of the OR Tambo district municipality has been identified as the area where most tourism and Local Economic Development initiatives will be focused. Tourism will increase as soon as upgrading of infrastructure and road access takes place. Proposed projects in the Coffee Bay and Hole-in-the-Wall area included in the Integrated Development Plan (IDP) include a Coffee Bay arts and crafts centre, the upgrading of the link road and bridge between Coffee Bay and Hole-in-the-Wall, and the upgrading of the Hole-in-the-Wall access road. It should be noted that the OR Tambo District Municipality, as the Water Service Authority in the area, has not included additional phases of the **Coffee Bay Regional Water Supply Scheme** in its IDP.

3.3.7 O.R. Tambo Tourism Development Sector Plan

The OR Tambo Tourism Development Sector Plan was prepared by Ntigna Development Agency. The tourism development strategy consists of the following strategic objectives:

- Promoting public sector investment in infrastructure development in nodes earmarked for tourism within the district municipality.
- Promoting public sector investment in tourism development within the region, particularly in nodes earmarked for tourism development.
- Promoting joint ventures as well as economic models that will benefit communities in tourism development.
- Research and development of economic models to empower rural communities.
- Promoting entrepreneurs wishing to establish tourism developments.

Some of the priority tourism development areas in the plan include eco-tourism, cultural tourism, arts, crafts and general curios and adventure and sporting tourism activities, many of which are pertinent to the Coffee Bay area. An existing project includes the Coffee Bay integrated development programme centred around tourism development in the area.

3.3.8 King Sabata Dalindyebo Municipality Integrated Development Plan

The KSDM IDP recognizes that Umtata is the Tourism Gateway to the region and the Wild Coast and that the coastal areas, in particular Coffee Bay and Hole-in-the-Wall, are areas of strong recreational and tourism potential. However this area has limited infrastructure and is hampered by aspects such as access and terrain as well as suitable facilities. The Coffee Bay and Hole-in-the-Wall area has been identified as a development area in the IDP although the IDP does state that tourism development along the coast will be focused (nodal) rather than extended in a ribbon-like development. The IDP does not identify any specific projects for the Coffee Bay area. However, it does identify local tourism development as a project. The project strategy specifically focuses on tourism partnerships amongst people involved in arts and crafts, tourism and hospitality and

mentions the development of cultural villages. Possible locations include the coastal nodes. Currently KSDM does not have a spatial development plan although it has been put out to tender. KSDM are currently in the process of appointing an independent consultant. It is important that there is coordination between this project and the KSDM Spatial Development Framework Plan when it is completed. At present, the developers are required to submit a proposal to the KSD Municipal Council to obtain approval for the development. If the proposal is approved then the site will carry the required zoning.

3.4 The Wild Coast SDI Pilot Programme

The Mbizana and Qaukeni co-management initiatives are local-level projects that integrate planning, tourism development and institution building. The projects have been initiated by the EU Wild Coast Programme in collaboration with Ntinga Development Agency. Some of the main aims of the initiatives are to:

- Support local structures in developing a suitable planning and development framework for the coast, whilst contributing toward broader decision-making frameworks at the Provincial level,
- Organize stakeholder participation and assist in forging a common vision and co-operative management arrangements for coastal tourism development,
- Build local capacity and institutional arrangements to undertake coastal planning and management,
- Strengthen the environmental management and tourism sectoral plans in IDPs,
- Demonstrate pilot tourism development projects,
- Provide direction for investors and promote business confidence.

The first phase of this project commenced in October 2003 and runs until August 2004. The project focus is the northern sector of the Wild Coast but it is likely that a second phase further south will build on the progress made in the first phase. Under the guidance of the EU Wild Coast Programme Management Unit, a team of technical experts has been appointed to implement the project work plan. It is envisaged that further initiatives could be kick-started in other coastal municipalities once progress is made with the two pilots.

Part of the support programme is engaged in developing a framework for land use management on the Wild Coast which provides

- Proposed planning principles for zonation,
- Zones and sub-zones of the Wild Coast,
- Interpretation and application of macro zones,
- Departures from Wild Coast Tourism development Policy.

A further component of this support programme is an assessment of the carrying capacity for tourism development along the Pondoland coast from Mzamba to Mbotyi. Again the focus is primarily the northern Wild Coast at the moment but these documents have implications for the entire coast if the recommendations are accepted by planning authorities.

3.5 Application Procedures for Tourism Projects within the Wild Coast

In terms of the EIA regulations (Environmental Conservation Act) and the Transkei Decree, DEAET are responsible for approving all developments within 1km of the coast in the Wild Coast. Depending on the location and circumstances of the project the development may require additional authorizations from the Department of Land Affairs and the Department of Water Affairs and Forestry.

Process to be followed

The developer should ensure that the project is feasible and that there are no fatal flaws to the project concept in terms of the planning guidelines. A detailed project proposal, an EIA and Decree Permit application must be submitted to the relevant DEAET Regional Office. The EIA application form must be submitted to the Wild Coast Development Organisation.

The development proposal must include the following details:

- Location, siting, design and capital investment of the project
- Benefits of the development
- Potential impacts of the project on other developments
- Potential job creation
- Potential economic empowerment resulting from the project
- Adherence to policy and development objectives established by the province
- Environmental impact
- Financial viability
- Community participation and support
- Ongoing management plans
- Any other details requested

The Wild Coast Development Organisation (yet to be constituted) is to ensure that the proposal meets the requirements stipulated in the WCTDP before submitting it to the relevant government departments and District Council for comment. EIA application must be submitted to the DEAET and the application suitably advertised in local newspapers, magistrates' court and the local traditional authority office for comment.

The application is then to be submitted to the Wild Coast Technical Committee (WCTC - yet to be constituted) who will assess the proposal according to established criteria and in terms of any objections which were received. Once assessed, the WCTC may recommend the project for approval or rejection to the Minister of Land Affairs and/or Minister of Water Affairs and Forestry and the Eastern Cape MEC for Economic Affairs, Environment and Tourism.

The final decision is to be made by the Minister of Land Affairs and/or Minister of Water Affairs and Forestry as well as the Eastern Cape MEC for Economic Affairs, Environment and Tourism and is to be conveyed to the Wild Coast Development Organisation.

Once approved, the developer may begin construction and the Wild Coast Development Organisation is responsible for ensuring that a contract is drawn up between the Building Inspectors (Department of Housing and Local Government) and the developer. An environmental clearance certificate must be obtained from the DEAET and the Department of Housing and Local Government must issue a building certificate.

4. ASSUMPTIONS AND LIMITATIONS

4.1 Bulk Water Supply

This Scoping Report evaluates the likely environmental impacts of a development within the Hole-in-the-Wall draft nodal development area. At present there is no bulk water supply to the area and potable water is only available from rainwater tanks. The availability of sufficient water is critical to the success of any tourism venture, and particularly for the market at which this development is targeted. The bulk supply of water to the area is a listed activity in terms of the EIA Regulations and will therefore require its own EIA and is not a part of this Scoping Report. The DBSA raised concerns about the impacts of infrastructure developments. These concerns are discussed in Chapter 9.

4.2 Access Roads

The target market for this development is upmarket. The existing roads from either Coffee Bay to Hole-in-the-Wall or the link road from the main Coffee Bay road to Hole-in-the-Wall are currently of sub-standard and would need to be significantly improved to make this a desirable destination for the target market. Responsibility for the road upgrades and maintenance rests with the King Sabata Dalindyebo Municipality. Road upgrades are very expensive and we assume that the developers can obtain a commitment from KSD to maintain these roads at an acceptable standard. The DBSA raised concerns about the impacts of infrastructure developments. These concerns are discussed in Chapter 9.

4.3 Nodal Development Boundaries

Although Hole-in-the-Wall has been defined as a second order node for development in terms of the Wild Coast Spatial Development Initiative (Nicholson *et al.* 1996), and the Wild Coast Tourism Development Policy (Provincial Gazette February 2001) which includes guidelines for developments in first and second order nodes, the Gazette does not define the spatial extent of the nodes. An interpretation of the spatial extent of these nodes has been compiled by Tshani Consulting (2003), funded by the European Union, but these are as yet draft boundaries. The lack of gazetted boundaries for the Coffee Bay and Hole-in-the-Wall nodal areas makes decision making difficult particularly when there is no strategic development framework. The proposed Ridge development falls within the draft nodal boundaries for the Hole-in-the-Wall area and we assume that these draft boundaries are unlikely to be modified to the extent that the proposed development site will fall outside the nodal area. The developer raised concerns regarding the legitimacy of the draft nodal boundaries. These concerns are noted and discussed in Section 7.5.

4.4 Land Tenure

Securing land tenure is essential to the success of the development project. The lack of suitable lease arrangements with respect to the land on which the development is sited will significantly affect security of land tenure and the future value of the assets. Discussions with the Department of Land Affairs indicate that:

- Land would be leased to the developer for a period of between 25-30 years.
- The DLA prefers not to deal with Community Trusts, but this is not an absolute exclusion.
- The relevant legislation is the Community Property Association Act.
- In order for a community to lease community land to a developer, there must be community consent in the form of a community resolution, which may include, but is not limited to traditional leaders.
- Rental on the land must be based on a market related valuation.
- A joint venture must be established between the community and the developer, which can include a company in which the community has an adequate shareholding.
- Each case is viewed on its individual merits.

The necessary preliminary structures are in place to conclude a successful land-lease transaction, including:

- The Kwa-Tshezi Development Trust which appears to be broadly representative of the relevant tribes in the community.
- The development company called Coffee Bay and Hole-in-the-Wall (Pty) Ltd in which the Kwa-Tshezi Development Trust has a 45% shareholding.

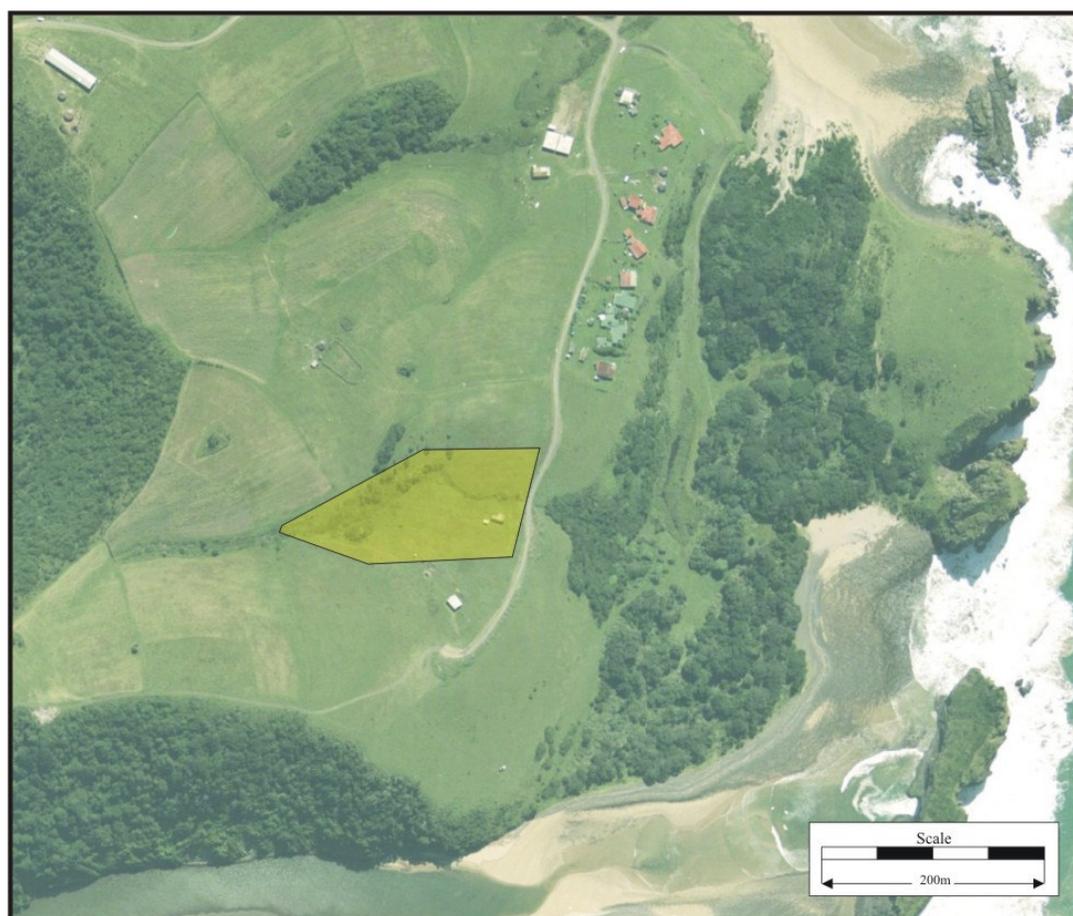
We assume that the developers are able to obtain a suitable long term lease for the site from DLA. In addition we assume that the developers can obtain agreement with Mr Cetywayo, who currently holds a PTO for the site, regarding the use of the land for development.

5. PROJECT PROPOSAL

5.1 Location

The site of the project is at Hole-in-the-Wall. Hole-in-the-Wall is situated 7 km south of Coffee Bay on the Wild Coast in the Eastern Cape Province (Figure 1). Coffee Bay is located approximately 80km almost due east of Umtata. The proposed site is at the southern edge of the Hole-in-the-Wall residential area, on the hillside immediately above the existing road that runs past the Hole-in-the-Wall rock formation. The proposed development would be situated in a small valley that runs in a south west/north east direction and is slightly north east of the Hole-in-the-Wall rock formation (Figure 5.1).

Figure 5.1 Aerial Photo indicating the site position. Image from CES.



5.2 Motivation

Motivation for the project was summarised from the CES Reports: Volumes 1 & 2 (CES, 2004) as follows:

The Wild Coast in the Eastern Cape is one of the most affordable holiday locations in South Africa for domestic tourists. The Coffee Bay/Hole-in-the-Wall region is one of the more important tourist destinations along this coast. Currently there are only two hotels at Coffee Bay and one at Hole-in-the-Wall, with a number of low cost Backpacker operations in the area around Coffee Bay. Tourism

in all sectors has increased significantly since 1998 (although there was a decline from previous highs in 2001). Overseas tour operators have remarked on the lack of upmarket accommodation for the foreign tourism market. Given the high unemployment rates for the Wild Coast in general (around 50% for the KSD municipality in which Coffee Bay is located), there is a need for development initiatives that will help alleviate chronic poverty by providing income generating opportunities.

Tourism has been considered the lead sector for development along the Wild Coast and the recent Wild Coast Tourism Development Policy designated Coffee Bay as a First Order node for the development of resorts and other commercial development, and Hole-in-the-Wall as a Second Order node for development. The Ridge development proposal prepared by the Coffee Bay and Hole-in-the-Wall company entails the structuring of community/private sector equity venture (45/55 percent respectively) that will help alleviate poverty in the area by improving the standard of living. Assuming senior management staff will initially be brought in from outside the area, the development would result in 55 permanent jobs for local people. Local people would be able to sell agricultural and art products to visitors, and the developers promise management skills development for suitable local people. There would be other indirect benefits resulting from the increased numbers of tourists and the upgraded roads in the area.

5.3 Detailed Description of Development

The proposed development for this area comprises 50 free standing chalet type accommodation units on a hillside above and to the northeast of the Hole-in-the-Wall rock formation where the development will be sheltered from the prevailing winds (Figure 5.2). The development would comprise 25 single rooms, 15 double rooms and 10 self-catering units. Details are provided in Table 5.1. Chalets would only be constructed in single units and large terraced designs would be avoided.

Table 5.1 Details of proposed development units for the Hole-in-the-Wall Ridge site

Unit	Number of units	Surface area (m ²)	Total Surface area (m ²)
Single rooms	25	60	1 500
Double rooms	15	105	1 575
Self catering	10	66	660
Total	50		3 735

The design would have a typical South Africa architectural theme and would consist of a central restaurant, curio shops and amenities situated close to the existing access road with the single storey chalets being situated behind these facilities and extending up the hill side. The restaurant and kitchen area would be approximately 1 000 m² and the total surface area actually covered by the development would be 4 735 m². Further details on architectural design and landscaping are not available at this stage of the project. The development would be a fairly upmarket development aimed primarily at domestic tourists. The restaurant and additional facilities would be designed to cater for all tourists and not only the residents residing at the complex. The development therefore has the following primary features:

- 25 Single rooms
- 15 Double rooms
- 10 Self catering units
- A restaurant that seats 50 persons
- A traditional boma that can cope with 100 people
- A bar and lounges that can cope with 150 people
- A swimming pool
- A curio shop
- An informal craft market
- Other ancillary structures

Environmental and spatial guidelines were developed by CES and provided to Winterbach Pretorius Letele Architects in order to develop a preliminary design, layout and technology plan for

the Ridge Resort. CES also prepared and provided the architects with a summary of the Planning Guidelines, Aesthetic and Design Guidelines and Ecological Guidelines provided in the Wild Coast Tourism Development Policy. The architect plans were passed on to Bisiwe Van Niekerk Quantity Surveyors and CDEC Consulting Engineers for detailed costing. The costings were reviewed by CES accountants for reasonableness, and revised where deemed appropriate.

Figure 5.2 Layout plan of development proposed for the ridge above Hole-in-the-Wall (CES Image)



There is a requirement for a short access road from the existing road. Apart from the use of the area for grazing, there is no commercial value to the land other than for conservation and tourism developments. For the proposed developments, a layout plan, indicating the position of all structures, stands and internal roads must be submitted to the local authority for approval.

There are currently no existing facilities at this site. An illegal shack in the near vicinity of the site has been dismantled, but there is a second shack on the hillside immediately to the south west of the site. This shack appears to be currently occupied. The site is covered with grassland and a few bush clumps and is of low ecological sensitivity. However, a small fenced subsistence agriculture plot (± 20 m x 40 m) is located in the immediate vicinity of the site. A local person currently possesses the Permission to Occupy (PTO) certificate for the proposed site. The issue of ownership of the land has not as yet been resolved. A small watercourse provides a drainage line more or less down the centre of the site and this exits the site via a concrete pipe under the road. The banks and bed of the watercourse are damp and muddy even after extended periods with no rain and there are drinking holes for livestock at intervals down the watercourse. Wild date palms (*Phoenix reclinata*) grow densely in parts of the bed of the watercourse.

It is important to note that refinement of the development design concept will be undertaken in close co-operation with the environmental consultants, to ensure environmental impacts are minimized, and the natural and aesthetic value of the area optimized and the development is in keeping with the environmental constraints of the Wild Coast Tourism Development Policy guidelines.

5.4 Infrastructure requirements

The following infrastructure needs were identified in the construction costing provided by Biswe Van Niekerk Quantity Surveyors and CDEC Consulting Engineers, and costs supporting the financial provisions were made:

- Access Road (0.5 km)
- Bulk electrical supply
- Electrical substation
- Bulk storm water
- Water supply and connectors
- Sewage reticulation and package plant

5.5 Shareholding and Provisional organisation structure

Community participation and involvement with respect to all the proposed developments has been extensive. In addition, Coffee Bay and Hole-in-the-Wall (Pty) Ltd has been established with a 45% shareholder by the Kwa-Tshezi Development Trust, ostensibly representing the community. Further benefits from the proposed development will be gained through local employment and sale of produce. The Environmental Management Plan must provide the basis for a Social Development Plan (SDP) that needs to be developed as part of the operation of the facility. This SDP must focus on ways of optimising social benefits arising from the development, ranging from building capacity in agricultural practices for the supply of fresh produce, to financial management to ensure profits are spent wisely and to the benefit of the Kwa-Tshezi community.

The Staffing structure for the proposed development is shown in Table 5.2.

Table 5.2 Staffing structure for the proposed Ridge development.

Position	Number
General Manager	1
Food and beverage manager	1
Marketing manager	1
Administrative manager	1
Head chef	1
Chef	4
Waiters	12
Kitchen staff	6
Housekeeper	1
Cleaners	6
Laundry	4
Receptionists	4
Night porter	1
Security	4
Landscape, gardening, pool	4
Barmen	4
Casuals (seasonal)	6

5.6 Proposed management of surrounding area

In order to ensure that the surrounding land and visual beauty of the area is not compromised by future developments, the developer proposes to acquire additional land surrounding the developed area which should be designated as public open space and managed by the developer. A view point may form part of this open space area with free public access. If possible the coastal forest below the ridge would also be incorporated into this project concept and fall under the same management. This forest area would be fenced to prevent domestic livestock from grazing in the forest and it would be rehabilitated to form a conservation area with trails and picnic sites, which would serve to attract further tourists. Adequate facilities including sign boards, foot paths, benches as well as a parking area for day visitors will need to be developed. A parking area could possibly be developed near the existing ablution block which should be repaired and completed. Local people could be trained as guides to show people around the conservation area, provide information about the Hole-in-the-Wall, and a craft market could be developed near the parking area to facilitate job creation. There are no specific details of what the developer might do for the surrounding area, apart from the general description provided above. The developer should provide detailed plans regarding rehabilitation of the coastal forest and management of the grasslands surrounding the development and view site. However, implementation would be contingent on getting permission from the relevant land owners and authorities

It is proposed by the Developer that Hole-in-the-Wall and surrounding forest conservation area be put forward as a National Heritage site, as both the villages of Coffee Bay and Hole-in-the-Wall will benefit from increased publicity and tourism to the area.

6. AFFECTED ENVIRONMENT

6.1 Landform and Geology

The landform in this region is very varied. The most notable features are the many promontories, cliffs and small bays. In general, this area of the Wild Coast is characterised by large undulating hills and sea front cliffs. It is a south-east facing, linear trending coastline, with irregular indented rocky shores separating linear to aruate features (Tinley 1985). Beaches are usually comprised of sandy or gravely material and are either linear trending, when associated with estuaries, or crescent shaped when situated within the rocky areas of the coastline (Nicholson et al. 1996).

6.1.1 Description

The regional geology of the site comprises dark grey carbonaceous shale of the Ecca Group, Karoo Sequence with subordinate mudstone and sandstone. To the north, near the Hole-in-the-Wall Hotel, the Eccashale are downthrown through normal faulting to expose Dwyka tillite which is also of the Karoo Sequence. Hyperbyssal igneous dolerite dykes and sills intrude these rocks but are not evident in the immediate confines of the site. Faulting perpendicular to the coastline is extensive.

The residual soils derived on the shales – such are those on the site - often have a high clay content whereas the colluvial soils are more gravely-silt in nature. In some areas aeolian deposits are developed above the rock as a result of wind transportation.

6.1.2 General limitations and potential Geotechnical Problems

The geology of the area results in limited potential for groundwater. Borehole drilling for water further up the coast indicates a groundwater with a high salt content making it largely unpalatable. The hilly topography, whilst being very scenic, is a constraint because it makes the provision of access roads difficult and costly, and limits the number of suitable development sites. The rugged coastline and high energy nature of the surf zone limits the potential for marine based activities, and increases the risks to bathers at many swimming beaches. However, pocket beaches do offer safe bathing.

Observations near the site indicated the presence of numerous small landslip scarps as a result of near surface sloughing. These are indicative of ongoing soil movement at the site and should be catered for in the design. Large-scale rotation failure can develop in carbonaceous shales and although there is no evidence for this on site, it should be born in mind during the design process. The residual clay also has a high clay content, plasticity indices and linear shrinkage and are therefore the cause of heave and shrinkage in building foundations. This may create potential problems during construction and should be catered for in the design. A geotechnical investigation should be undertaken before developing this site.

6.2 Topography and drainage

The perennial Mpako River is the major drainage line for the area to the south of the proposed site, and forms an estuary where the river enters the sea at the Hole-in-the-Wall. To the north of the site a small perennial river forms a wetland immediately above and to the north of the Hole-in-the-Wall hotel. The river spills on to the beach in front of the Hole-in-the-Wall hotel but does not form an estuary. The road to Coffee Bay crosses this river by a causeway. Between these two rivers the land is drained by two small watercourses. One is immediately to the north of the proposed site and drains steeply down to the unfinished ablution block above the beach. The second drainage line runs more or less through the middle of the proposed development site and the soil in the bed of the watercourse is permanently damp, even after prolonged periods with no rain. Watering holes for stock are maintained at intervals along this drainage line. The watercourse passes under the road by way of a concrete pipe and thereafter drops steeply down the hillside by way of a rocky

stream bed. Both the construction and operational phases of the development will have to ensure that erosion along this drainage line is not increased.

6.3 Climate

The climate of the coastal lowlands within the Wild Coast region is generally moderate, warm temperate and humid and does not experience wide fluctuations in temperature due to the influence of the warm Agulhas current (Guy Nicholson Consulting Services 1993). No climate data is available for the immediate Coffee Bay area, with the nearest coastal weather station being situated at Port St Johns. Temperatures within the study area are moderate having both small diurnal and seasonal fluctuations. The mean monthly averages in temperature range from a maximum of 22.7°C in February to a minimum of 17.9°C in July and August (Nicholson et al. 1996). Humidity is high during the summer months but is offset by cooling on-shore winds which make the climate fairly pleasant.

The region has a mainly summer rainfall (October to the end of March), but occasional rains may fall during the winter months or in spring and autumn, when cold fronts move across the region. These rains may be accompanied by heavy mists. The fine rain and heavy mists usually occur on the highlands making travel to the coast difficult under these conditions, although the coastal areas may be clear. Rainfall within the Wild Coast is relatively high in comparison to the rest of Southern Africa. The coastal forelands below 500m elevation generally have a rainfall greater than 1 000 mm per annum and are frost and hail free (Nicholson et al. 1996). Rain fronts which last for several days are characteristic of the coastal areas of the Wild Coast (Guy Nicholson Consulting Services 1993). This has implications for access to the Hole-in-the-Wall along the Coffee Bay – Hole-in-the-Wall road which becomes almost impassable after heavy rain.

Many of the high coastal cliffs are exposed to windy conditions. The major winds along the Wild Coast are the onshore north-easterly winds which predominate in the summer months and the south-westerly offshore winds that prevail in autumn and winter. These winds are oblique or quasi parallel to the orientation of the coastline (Guy Nicholson Consulting Services 1993).

6.4 Vegetation

6.4.1 Introduction

A vegetation assessment was undertaken by David Hoare of David Hoare Consulting cc. Extracts of his report are presented below. The full vegetation report is provided in **APPENDIX F**.

The general objectives of this study were to evaluate the grasslands of three proposed development sites in the Coffee Bay to Hole-in-the-Wall region in terms of sensitivity (onsite & global), including the conservation value and potential to house species of concern, as well as place these grassland communities in global context. A further minor objective was to comment on the sensitivity analysis used in a previous study in this area (CES Sensitivity Analysis; CES documentation Volume 1 2004). The focus here is to provide an overview of the conclusions and to assess the sensitivity of the Ridge development site since it is the subject of this Scoping Report.

Various descriptions of the vegetation of South Africa can be used to obtain information on broad vegetation patterns of the study area. Acocks (1988) considered the vegetation of the Coffee Bay - Hole-in-the-Wall area to be Coastal Forest and Thornveld (Veld Type 1) that has been degraded by human-induced changes. Intersecting this so-called forest vegetation is Valley Bushveld that follows the larger river valleys of the general Wild Coast region. A more recent description of the vegetation, in which forest is separated from grassland as a separate entity, describes this area as falling within Coastal Grassland (Vegetation type 48) (Low and Rebelo 1996). There are a high number of grassland endemics within this vegetation type that suggests a long and stable existence as a climax grassland community (Low and Rebelo 1996). Within this vegetation type numerous small forest patches are found. The most recent classification of the vegetation of South Africa by Mucina and Rutherford (in press) describes the vegetation along the coast as Transkei Coastal Belt. This description takes phytogeographic patterns into consideration and the finer scale

of reporting, modern mapping and ecological modelling techniques, and floristically coherent vegetation units makes the classification more useful for conservation planning.

Few detailed studies have been undertaken in grasslands in the Wild Coast coastal region. Hoare (2003) studied the grasslands of the O R Tambo District, including the coastal areas, and Judd (2000) described the grasslands south-west of the Kei River. Further up the coast, a detailed study has been undertaken at Mkambati Nature Reserve (Shackleton et al. 1991), although the geology of Mkambati is different to the current study area, and the Mkambati Nature Reserve falls within the Pondoland Centre of floristic endemism. There are, therefore, no detailed published descriptions of the vegetation of the study area.

The soils of the Coffee Bay Hole-in-the-Wall area are mostly dark grey-brown loams derived from the underlying shales, and not the sandstones found further north-eastwards up the coast which are associated with high levels of floristic endemism. The rainfall just exceeds 1000 mm per annum (Dent et al. 1989), which permits relatively high natural levels of vegetation production and thus high stocking rates through regular burning (Acocks 1953; Shackleton 1989). The study area includes areas from the mapsheets 3129CC Coffee Bay and 3229AA Hole-in-the-Wall.

Conceptually, sensitivity may be difficult to define in an objective way. Factors such as absolute species diversity and degree of invasion by exotic organisms are meaningless unless they are expressed in terms of how they affect the integrity of the ecosystem in question and how they affect the value of a site relative to all other sites where that particular ecosystem occurs. A discussion of factors that affect sensitivity analyses is provided in **APPENDIX F**.

CES (2004) provide a method for evaluating the sensitivity of 36 individual sites in the Coffee Bay and Hole-in-the-Wall area that is objective and formalised (CES Volume 1 2004). The formalization is commendable and provides criteria for assigning sensitivity rather than using a "gut-feel" approach. Very minor criticisms of the method are contained in **APPENDIX F**. The CES sensitivity evaluation provides an answer that is intuitively correct and it is unlikely that minor modifications would provide a different result. The extent remaining and extent conserved of each vegetation type could, however, be more accurately determined. Coastal grasslands are dismissed as having low importance, but these may be high in species richness and more restricted in distribution than indicated in the CES report.

6.4.2 Methods

Detailed methods pertaining to the grasslands analysis are provided in **APPENDIX F**. Data relating to species present, cover, vegetation height, the soils and the amount of bare soils and rock cover, slope, and the presence of biotic disturbances such as grazing and animal burrows, were collected at 5 sites at the proposed Ridge development site. Data collected during the CES study of the area was used to compile a description of the plant communities of the coastal region from Coffee Bay to Hole-in-the-Wall. The rates of transformation and conservation in coastal grasslands of this region were evaluated using GIS-based analysis. A list of threatened plant species that have been previously recorded in the map sheets in which the study area occurs was obtained from the Threatened Species Programme of the National Botanical Institute. These species were evaluated in terms of habitat preferences to determine the likelihood of them occurring in the habitats that are available in the study area.

6.4.3 Results

A list of all species found in the different coastal habitats of the region was compiled (see **APPENDIX F**) in order to evaluate the overall diversity of the area. This list contains 404 species in all coastal habitats. The list is probably not complete, but provides the basis for future studies in the area.

Grassland classification

A classification of the data from the grassland survey resulted in the recognition of 3 grassland communities, a drainage line wetland community and a floodplain grassland community. These communities are all dominated by *Stenotaphrum secundatum* accompanied by *Eragrostis plana*

and *Centella asiatica*. The vegetation communities are, for convenience, named as follows and discussed in more detail below:

1. *Stenotaphrum secundatum*-*Cynodon dactylon* grassland,
2. *Stenotaphrum secundatum*-*Themeda triandra* grassland,
3. *Stenotaphrum secundatum*-*Aloe thraskii* grassland,
4. *Phoenix reclinata*-*Eleocharis dregeana* drainage wetland,
5. *Phoenix reclinata*-*Cyperus esculentus* floodplain grassland.

***Stenotaphrum secundatum*-*Cynodon dactylon* grassland**

This grassland occurred on the gentle east- and west-facing slopes in the small valley of the Hole-in-the-Wall ridge site. The grassland was dominated by *Stenotaphrum secundatum* and *Cynodon dactylon* accompanied by *Centella asiatica*, *Monopsis decipiens*, *Helictotrichon turgidulum* and *Hypochoeris radicata*. Other commonly occurring species included *Kyllinga alata*, *Desmodium incanum*, *Cyperus esculentus* and *Aristida junciformis*. This species composition includes cosmopolitan and exotic weed species and grass species, indicating disturbance. This suggests that this grassland is either highly disturbed or secondary in nature. This interpretation is feasible considering the cultivated plot nearby, the high stocking rates of domestic livestock and the tendency in these rural areas to practice shifting cultivation. There are also buildings and a gravel road nearby. The mean number of species per sample plot in this community is only 14.2, which is rather poor; of which 2.6 are exotics and 5.4 are indicators of disturbance (56% of species).

***Phoenix reclinata*-*Eleocharis dregeana* drainage wetland**

This wetland vegetation occurred in the drainage lines of the Hole-in-the-Wall ridge site. It was dominated by *Stenotaphrum secundatum* and *Cynodon dactylon* accompanied by *Centella asiatica*, *Eragrostis plana*, *Phoenix reclinata*, *Eleocharis dregeana*, *Mariscus congestus* and, occasionally, *Miscanthus capensis*. Other commonly occurring species include *Commelina benghalensis*, *Persicaria lapathifolia*, *Rumex crispus* and *Setaria sphacelata*. The mean species richness is 22.5 species per sample plot, of which 5.0 are exotics and 5.0 are indicators of disturbance (44% of species). The high species richness is due to the fact that terrestrial grassland species occur on the margins of the wetlands and are therefore recorded in the sample plots along with the wetland species. The mean aerial cover of the poor species is 24.5%.

Non-grassland plant communities of the study area

On the basis of a previous study in this area (CES Volume 1; 2004), the following non-grassland vegetation communities may also occur in the study area between Coffee Bay and Hole-in-the-Wall:

1. Riverine forest, dominated by *Rauvolfia caffra*, *Phoenix reclinata* and *Stenotaphrum secundatum*;
2. Scarp forest, dominated by *Euphorbia triangularis*, *Milletia grandis* and others;
3. Coastal dune forest, dominated by *Mimusops caffra* and *Sideroxylon inerme*;
4. Bushclump savanna, dominated by *Milletia grandis*, *Cassine papillosa*, *Eugenia capensis* and *Mimusops caffra* with a variety of other woody species.

It is also known that littoral strand vegetation (*Scaevola plumieri*, etc.), mangrove forest (*Bruguiera gymnorhiza*, etc.) and salt marsh vegetation (*Sarcocornia* species) communities occur in the study area in limited habitats that are not affected by the current proposal.

Threatened plant species

Lists of historical occurrences of Red Data List plant species (as listed in Hilton-Taylor 1996) were obtained from the PRECIS Database of the National Botanical Institute for the Coffee Bay and Hole-in-the-Wall areas. These lists contained 8 species that were listed in some category of threat and 12 that were listed as not threatened. Of the six threatened species, four occur in forest, one in rocky grassland or scrub forest and one in grassland (**Appendix F**).

Sensitivity

From the analysis of spatial data coverage statistics for the study area for all areas within 500 m of the high-tide mark are given in Table 6.1.

Table 6.1 Proportions of different broad vegetation types in the Coffee Bay – Hole-in-the-Wall study area within 500 m of the high-tide mark.

The analysis is derived from visual classification of Landsat TM satellite data.

Vegetation	Proportion of area
Grassland	27%
Salt marsh, estuary, mangroves, reedbeds, etc.	23%
Dune thicket	20%
Riverine thicket (=scarp forest)	7%
Sandy beaches	2%
Undifferentiated forest	1%
Area transformed (cultivation/fallow, buildings/homesteads, roads)	20%

The following points should be noted:

1. It is difficult to determine the rates of transformation per vegetation type since it is unknown what vegetation type existed at a particular location prior to transformation. Most cultivation takes place outside the 200 m coastal zone, probably due to the effects of salt spray on crops, and coastal grassland is therefore relatively immune in unprotected sites from cultivation. Due to the almost complete transformation of vegetation inland of 200 m it is difficult to determine how far inland the coastal grasslands would have extended.
2. Some areas of grassland may be secondary following clearing of woody vegetation, but it requires detailed ground verification to determine which grasslands are secondary in nature since it is not possible using the satellite data to distinguish grasslands of different species composition and hence condition.
3. The largest areas of continuous forest are further south (around the mouth of the Mbashe River). Due to the fact that they extend inland, they are more affected by rural agricultural activities than other coastal vegetation.

Using the approach of CES (2004) the Hole-in-the-Wall ridge site has a sensitivity score of 48%. This indicates a relatively insensitive site.

Evaluation of proposed site for development

This site was relatively disturbed by cultivation, previous homestead construction, animal trampling and grazing and other disturbance associated with the close proximity of the gravel vehicle track (Figure 5.1). The vegetation (*Stenotaphrum secundatum-Cynodon dactylon* grassland) is not considered to be of good quality (see section above). The drainage line vegetation (*Phoenix reclinata-Eleocharis dregeana* drainage wetland) through the centre of the study area is in moderate condition, although impacted upon by trampling, grazing and other disturbance. It should be considered sensitive primarily because a river or drainage line is a 'longitudinal ecosystem', and its condition at any point is a reflection not only of all upstream activities within the river/drainage line, but also of all activities in the adjacent and upstream parts of the catchment. However, it is highly unlikely that this site could harbour any threatened plant species and its transformed nature gives it a low conservation value. It also has low species richness. The site is relatively flat and could relatively easily be rehabilitated to its current status, if transformed. The grasslands here have a low sensitivity and the conservation potential is low. In terms of the vegetation, this site could, therefore, be considered for development, although the drainage line should be maintained in a naturally functioning state.

6.4.4 Discussion

The timing of the survey in mid-winter is not ideal due to the seasonal presence of some species and due to the fact that identifying plant species outside the growing season may be problematic and it is likely that the species composition and richness was not completely inventoried. However, the survey was useful for characterising the vegetation communities in the grasslands of the study area. The following observations are relevant:

1. Species richness increases with distance from the sea and with reduced disturbance. The most species rich grasslands are those protected from sea mists and in which transformation is minimal.
2. Grasslands can potentially house species of concern. In this area *Encephalartos altensteinii* and *Gladiolus oppositiflorus* could occur in the grasslands. High rates of endemism also occur on a regional basis, but this appears to be restricted to the sandstone grasslands, especially further north-east.
3. Grasslands have undergone transformation, but it is difficult to determine the exact degree. Up to 50% of the coastal vegetation of this region is lost to transformation and the remainder may be degraded to various degrees by overgrazing, etc.
4. Regional species richness is high, but a large proportion of these species appear to be from forests (mostly trees and shrubs).

6.4.5 Recommendations & Conclusions

1. In terms of the vegetation the site at Hole-in-the-Wall is not sensitive and could be developed, although the drainage line should be maintained in a natural state.
2. Any alternative sites should be evaluated in detail, as was undertaken for the current proposal.
3. The current study examined only grassland communities of the proposed sites, whereas it would be useful for the future strategic planning of the broader study area to understand the vegetation patterns in more detail. A broader study would also allow evaluation of the relative value of different sites in a regional context.

6.5 Fauna

6.5.1 Terrestrial fauna

Domestic stock (Cattle, sheep, goats, pigs and chickens) comprise by far the majority of the fauna in the area. Wild, terrestrial macro-fauna is probably limited to the patches of forest and possibly the steep cliffs. Small buck such as duikers (*Sylvicapra grimmia* and possibly *Cephalophus monticola*), steenbok (*Raphicerus campestris*) and bushbuck (*Tragelaphus scriptus*) are possibly found in very small numbers in the patches of forest environment in the Coffee Bay and Hole-in-the-Wall area. However, for decades buck populations would have been subjected to ruthless hunting by snares and dog packs, and numbers are likely to be extremely small. Because of their scarcity it is unlikely that they could constitute a significant tourism draw card. Rock dassies (*Procapra capensis*) probably occur in some of the rocky cliff areas but because of the terrain they would be difficult to view in the Coffee Bay/Hole-in-the-Wall area. Rock dassies do not generally constitute a major tourism feature.

6.5.2 Birds

Three hundred and eighty species of birds have been recorded from the Coffee Bay area (Roberts Multimedia Birds of South Africa 1997-2002). A number of them are rare or migrant species but over 201 species are common in the area and there are 33 species endemic to South Africa, some of them with fairly limited distributions along the east coast. Thus the Coffee Bay area offers an excellent birding experience to birdwatchers. It is unlikely that the proposed development would impact significantly on bird populations, particularly as the forest environments have been classified as sensitive and there will be no disturbance close to these areas. The development itself will affect a relatively small area of approximately 5000 m² of grassland that is in poor condition, appears to have been substantially disturbed in the past and is well represented as a biome elsewhere in the region.

6.5.3 Marine environment

Intertidal shellfish resources are collected for personal consumption by local people along the coast. The main organisms harvested are the brown mussel *Perna perna*, a variety of limpet species, red bait *Pyura stolonifera*, octopus *Octopus vulgaris* and the oysters *Striostrea margaritacea* and *Saccostrea cucullata*. For decades local people have sold at least part of their catch to hotels, cottage residents, fishermen and tourists. The increase in tourism to the Wild Coast generally has meant that local people now often harvest primarily for sale rather than consumption, and this has placed at least seasonal increased pressure on these resources. Subsistence collecting has had a significant impact on the intertidal ecology of the Wild Coast, resulting in greatly reduced biomasses of many organisms and changes in rocky shore community composition (Fielding *et al.* 1994).

Mud crabs (*Scylla serrata*) occur in many of the estuaries along the Wild Coast and are caught by local fishers and sold to visitors and hotels. The spiny rock lobster *Panulirus homarus* is caught in large numbers and sold to hotels and visitors. Several species of fish are caught by local rod and line fishers, and large specimens are sold to visitors and hotels. The fisheries for the majority of the species captured are considered collapsed (Britz *et al.* 2001).

Non-extractive tourism features of the marine environment in the Coffee Bay and Hole-in-the-Wall area currently appear to be confined to surfing, and dolphin and whale watching. The southern right whales (*Eubalaena australis*) do not usually penetrate as far north as Coffee Bay. However, Humpback whales (*Megaptera novaeangliae*) undertake a breeding migration up the east coast from May to July and then return in August. Large schools of dolphins (mainly *Delphinus delphus* and *Tursiops truncatus*) are frequent visitors to the inshore areas along the entire coast. The high cliffs that are such a common feature of the coast in the Coffee Bay and Hole-in-the-Wall area are ideally suited to whale and dolphin watching.

6.6 Sensitive Environments and/or Rare or Endangered Species

As a pre-planning screening exercise, a sensitivity analysis based mainly on ecological and vegetation aspects was undertaken by CES at 36 different sites throughout the Coffee Bay – Hole-in-the-Wall region in order to produce a sensitivity map for the area. However, visual sensitivity in terms of the extent to which a particular site was visible from the surrounding area formed part of the assessment. Specialist input was provided by Professor Roy Lubke of CES. This information was used to assess the location of the proposed development in terms of overall ecological sensitivity in the region. The sensitivity analysis was reviewed by the independent EIA consultants (Terreco/FieldWork/Ilitha). The sensitivity analysis was also reviewed by David Hoare, a specialist grasslands ecologist from Pretoria. The purpose of the exercise was to identify areas of differing environmental sensitivity in order to advise the developers on which areas would be most suitable, or least vulnerable, for development. An initial proposal to site the development in the area of the old Hole-in-the-Wall campsite was rejected because of environmental and visual sensitivities. Likewise, the ridge site initially identified by the community was also rejected because of the high visual impact. A Digital Elevation Model used to assess the visual impact of the current development proposal indicated that there would be minimal visual intrusion on surrounding areas. An added benefit of the current sensitivity analysis is that it may serve to highlight areas of high conservation status or species richness which may be effectively incorporated into the design and ultimately add value to the development. The Full Sensitivity analysis is available on the CES website (www.cesnet.co.za; Volume 1). Sensitive areas are outlined in Figure 6.1.

Because much of the appeal of the Wild Coast relates to its undeveloped coastline and sense of place, visually or 'sense of place' sensitive areas would include the prominent ridges and high cliffs that fall in the Coffee Bay – Hole-in-the-Wall area and the undeveloped areas along and immediately inland of the shoreline, but exclude the immediate environments of the Coffee bay and Hole-in-the-Wall villages. Visually or 'sense of place' sensitive areas are generally included in the demarcation of sensitive areas in Figure 6.1 but would also include the areas at Hlungulwana and Maphuzi which have been demarcated "Go" areas in the CES sensitivity analysis (see Figure 6.1). With regard to these latter two areas, it is important to distinguish visual sensitivity in terms of the extent to which a particular site is visible from the surrounding area and thus the extent to which a

development would be visually intrusive (not very sensitive), and the extent to which the site is sensitive from the point of view of a sense of place (sensitive).

With regard to livelihoods, homestead areas and areas used for agricultural purposes must be regarded as sensitive. Subsistence agricultural plots are mainly located in the vicinity of villages and individual dwellings. These are generally located inland of the immediate coastal zone because of the negative effect salt spray has on crops, and they are not really impacted by the proposed development. A small loss of grazing and access to stock watering holes (see 5.3) will result from the project. However, a subsistence agriculture plot is located on the border of the proposed site (5.3) and the developers will have to negotiate an agreement with the owner. The entire coastline is a sensitive zone with regard to subsistence fishers whose dietary protein and cash income comes largely from the collection of intertidal and shallow subtidal marine organisms. There are 164 registered subsistence fishers in the Coffee Bay area and 44 in the Hole-in-the-Wall area. Access to the coast and the maintenance of functioning inshore ecosystems are thus critical to subsistence fisher livelihoods. However, the proposed development should not impact in any way on the inshore marine environment and access to marine resources.

As far as can be ascertained there are no rare or endangered species of fauna or flora within the general confines of the Coffee Bay and Hole-in-the-Wall area, nor are there any in the immediate vicinity of the proposed development site.

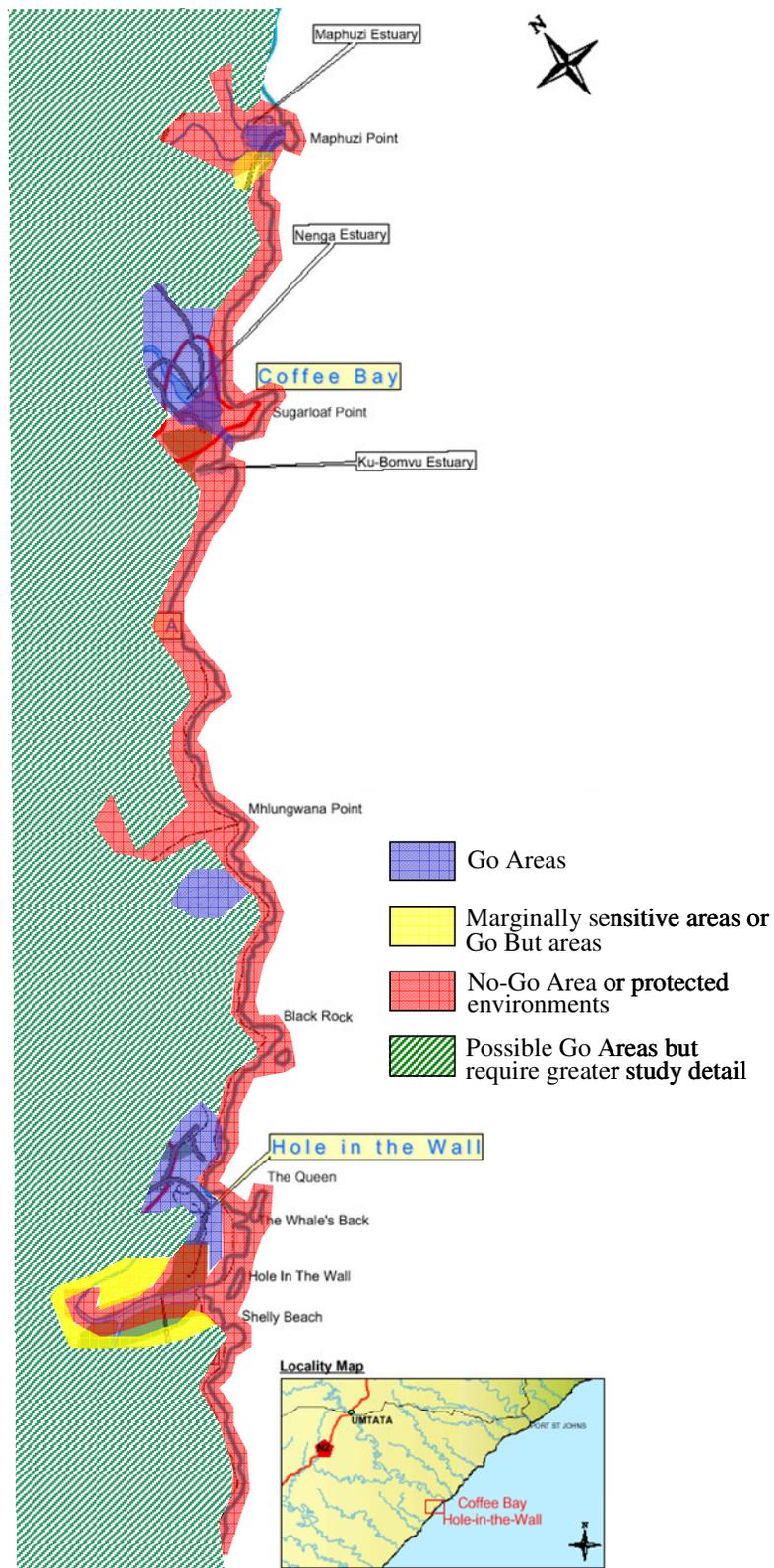


Figure 6.1 Sensitivity Map of the Region.

Within the study area two major components of the environment have an important bearing when considering sensitivity, namely ecological aspects and visual intrusion, as the latter will affect the “sense of place” the area has. Figure reproduced from CES report.

6.7 Land use

6.7.1 Existing Land-use

Current land use of the area is important as this reflects on the nature of the area to be developed in order to promote a tourism industry within the region. The proposed project will be a coastal development, the location of which may not have previously been designated or zoned for resort development. Figure 6.2 shows the current land use and location of the proposed site for development.

Agriculture and Forestry

The majority of the area is given over to subsistence agriculture and grazing with few patches of forestry occurring at sites along the coast.

Nature Conservation

A few conservation sites, especially in the coastal region were allocated originally under the jurisdiction of the Transkei Department of Forestry, but now fall under the Eastern Cape Department of Environmental Affairs and Tourism and the Department of Water Affairs. These sites are under various degrees of protection.

Urban development

Very small areas of Coffee Bay and Hole-in-the-Wall have been designated for urban development. There are a few commercial ventures in this area and most of the houses are associated with resorts rather than accommodation for people working in the urban areas. Exceptions are at Coffee Bay, where a number of houses have been allocated for the people who work at the two hotels in the area.

Tourism and Resorts

The present tourism of the area is limited to two commercial hotels at Coffee Bay, a number of backpacker establishments in both Coffee Bay and Hole in the Wall and a self-catering resort village at Hole-in-the-Wall. There are 22 legal holiday cottages at Coffee Bay and 26 at Hole-in-the-Wall. However, there are two illegal shacks in the immediate vicinity of the development site, two illegal holiday cottages on the hillside to the east of the Hole-in-the-Wall. A local man has constructed six holiday homes on the eastern hillside and these are rented out to visitors to the area. At the Rhini village inland of Coffee Bay, overnight accommodation, traditional meals and curios are available to visitors.

6.7.2 Land Use potential

Within the coastal region and apart from the use of the area for agriculture, particularly grazing, there is no commercial value to the land other than for conservation and tourism.

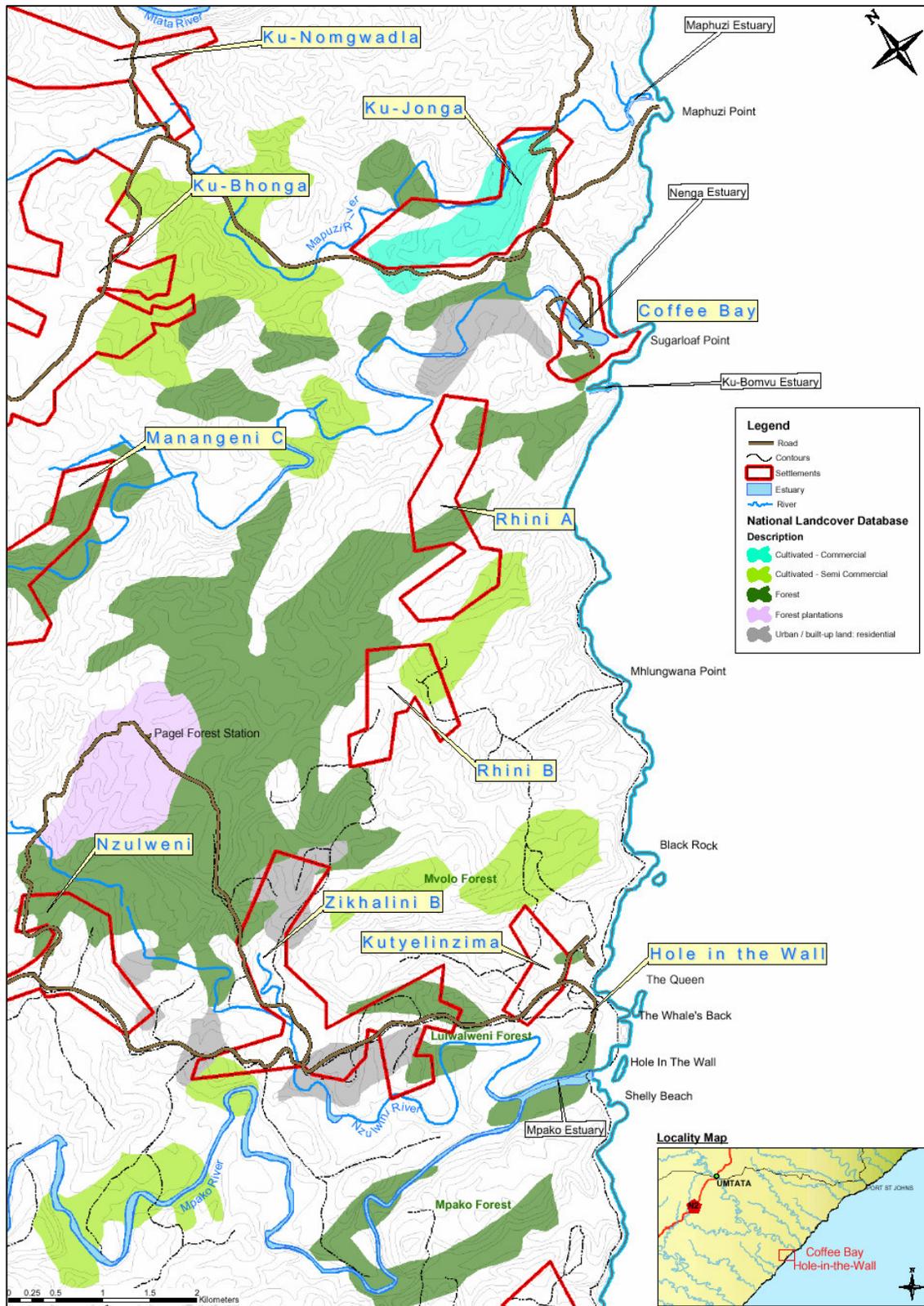


Figure 6.2 Map showing the current land use in the Coffee Bay and Hole in the Wall areas. (Map from CES documentation).

6.7.3 Land Tenure

There are parts of the country where land which is *de facto* owned and occupied by African people is held in trust by the Minister of Land Affairs. The lack of clarity about the status of such land has created serious disputes in some areas particularly relating to changes in land use or when a development is proposed. While the Department of Land Affairs is currently in the process of developing legislation which will secure the rights of such individuals and groups of people in the future, interim measures have been developed to deal with such situations. This comprises the "Interim Procedures Governing Land Development Decisions Which Require the Consent of the Minister of Land Affairs as Nominal Owner of the Land". These interim procedures set out to govern the circumstances under which decisions pertaining to land development issues are made by the rights holders who are affected and are ratified by the Minister as the trustee or nominal owner. Such procedures should provide a clear framework and increased certainty to those wishing to embark on the development of communally owned land. They should also enable the Department of Land Affairs to ascertain that the decisions taken reflect the views of the majority of rights holders and do not jeopardize or undermine the rights of any party. The Minister's official ratification of such decisions will be conditional on advice to this effect.

A critical feature of the policy is that the rightful ownership of communal land vests not in chiefs, tribal authorities or committees but in the (individual) members of the group which holds the land. This has major implications for the processes in terms of which decisions pertaining to land ownership issues are taken. The members of the group or tribe are the co-owners of the land. This does not imply that all the members have equal and undivided shares in the land. In reality households have strong rights to their own homestead plots and fields, which are protected under the *Interim Protection of Informal Land Rights Act, 31 of 1996*. However there is also group-based ownership of the area as a whole. It should also be noted that that a private individual (Mr Cetywayo) currently holds a PTO for the site of the Ridge development and negotiations surrounding the use of his land for development have not yet been satisfactorily concluded.

6.8 Local Social and Economic Structure

The Coffee Bay area falls under the KSD municipality within the O.R. Tambo District Municipality. The population growth rate for the whole municipality is consistent although higher growth rates are common in rural areas like Coffee Bay in comparison to the urban centres such as Umtata. Retrenchment of people from urban areas is problematic and is resulting in in-migration and an increase in population in the rural areas, as people move back into their former homelands. The average unemployment rate for the KSD municipality is 50%, although villages close to tourism nodes, such as Coffee Bay, may have higher employment rates than other areas in the municipality. Unemployment however, is still prevalent at Coffee Bay, particularly from a tribal perspective (i.e. the Tshezi community as a whole) as the community includes a number of villages, many of which are situated a long distance from Coffee Bay and do not benefit from the opportunities created within the town directly.

Ironically job opportunities created by tourism within Coffee Bay have a negative effect on the youth. They are creating serious problems with regard to education and literacy levels within the local communities, as children who should be attending school, either at lower or secondary level, often do not go to school in order to collect and sell sea harvests and produce crafts to tourists in order to generate an income.

Although most young people living in the area speak English fluently, they do not have a formal education. A further factor influencing education levels is the poor standard of the schools in the area. In addition to employment, the development of hotels, cultural villages and campsites in the area will help to increase the potential for agriculture if these facilities buy produce from local producers and the local farmers are trained in better agricultural practices.

6.8.1 Kwa-Tshezi communities

The Kwa-Tshezi community is the most important role-player in all developments in the Coffee Bay and Hole-in-the-Wall areas. They would be the beneficiaries of the Hole-in-the-Wall ridge project. Chief Dubulingqanga is the chief of the community but he is not well and his son Chief Ngwenyathi is effectively the executive chief. There are a number of headmen under him. The community is divided into four administrative areas, and each administrative area has a number of villages:

- Lower Mpako – eight villages.
- Lower Nenga - sixteen villages
- Mtonjana - five villages
- Enzulwini - seven villages

All the villages listed above belong to Lower Nenga administrative area, except for Hole-in-the-Wall which belongs to Mthonjana administrative area. All these villages are part of the Kwa-Tshezi community but not all of them are directly involved with the Coffee Bay and Hole-in-the-Wall (Pty) Ltd company, although they might benefit from the development. The only traditional board that is directly affected by the Ridge development is the Hole-in-the-Wall. The others (Mathokazini, Jonga, Mawotsheni, Rhini, Kham and Hlunglwana) are outside the area of immediate impact. This has created considerable problems because the developers' initial interactions with community members in the Coffee Bay/Hole-in-the-Wall area generally raised expectations that benefits other than those arising from the Trust would accrue to community members both at Coffee Bay and Hole-in-the-Wall. The initial approach to the development process appears to have been a discussion with various local traditional boards regarding potential benefits from developments provided suitable sites could be agreed. Thus expectations were immediately raised before any other implications were considered. Community problems are considered under Participatory Processes.

6.8.2 Economic structures

There is little in the way of formal economic opportunities in the Coffee Bay - Hole-in-the Wall area. Unemployment is around 50% for the KSD municipality in which Coffee Bay is located and probably around 70% in rural areas. There is thus a great requirement for economic stimulus in the region. The three existing hotels are the major employers, acquiring their staff from the surrounding villages. The Ocean View and the Hole-in-the-Wall hotels employ 40 and 24 people respectively. However, the jobs are relatively few in relation to the total employable population. Hotels also buy produce and sea-food from local people and contribute in this way to the cash economy, but the agricultural practices are poor and production limited. The backpackers have relatively small staffing requirements and the 48 legal cottages in the area employ local people mainly on a part-time basis during the holiday seasons.

Wood and seashell curios, traditional drums and firewood are sold on a small scale by local people. A few of the younger local people act as hiking guides for walks from Coffee Bay to Hole-in-the-Wall or vice versa, or from Coffee Bay to Maphuzi or the Mtata river Mouth and some have been trained as rocky shore guides to inform tourists about the mussel reseeding programme that has been implemented over the last three years. Local people hire out horses to tourists – primarily backpackers - for short excursions. A traditional village cultural experience is available to tourists at Rhini village.

Hotels in the Coffee Bay and Hole-in-the-Wall area are significant buyers of oysters, mussels, fish and lobsters. Cheap and readily available seafood is one of the more consistently advertised draw cards for the Wild Coast region as a whole. Sales of lobsters along the coast generate at least R1.2 million (current prices; Robertson & Fielding 1997; note this is probably a significant under estimate – current research programme). There are no current data regarding the quantities of fish purchased by hotels and tourists from local fishers. In economic terms lobsters are by far the most important marine resource for coastal residents of the region and the fishery in the Coffee Bay/Hole-in-the-Wall area is particularly active because of the consistent market. Increased tourism in all forms is likely to increase demand and therefore the fishing pressure on all marine resources, particularly the more valuable resources like fish and lobsters. It can be argued that the creation of jobs through tourism developments will improve the cash economy of the region, thereby reducing the necessity to harvest marine resources, but realistically this unlikely to happen, simply because

the market is under-supplied and the rewards from fishing high value species are relatively good. The answer to this problem is better compliance with the regulations of the Marine Living Resources Act, but the compliance arm of Marine and Coastal management is hopelessly understaffed and likely to remain so for the foreseeable future.

Opportunities for formal jobs in the area are few and local people have developed a number of small scale activities around the growing tourism industry. The addition of the envisaged 57 job situations that local people would probably fill if the tourism development on the ridge at Hole-in-the-Wall proceeded would bring in approximately R1.4 million in cash and a significant increase in the tourism related opportunities described above.

6.9 Infrastructure

6.9.1 Access

The majority of visitors to this sector of the Wild Coast travel by road along the N2 either from East London or Durban and Umtata. The Coffee Bay turnoff is well marked and on the East London side of Umtata, approximately 16km before Umtata. The Coffee Bay road itself is tarred but fairly narrow with no shoulder, and the road has a number of sharp bends. The road is badly potholed and in constant need of repair, and does not seem to have any official road number.

Hole-in-the-Wall can be accessed either by turning off the Coffee Bay road onto an unsurfaced road 18 km before Coffee Bay (not well marked) or by driving all the way to Coffee Bay and then following an unsurfaced road south for 7 km (not marked). Both these unsurfaced roads vary in quality, depending mainly on the amount of rain that has fallen, the amount of traffic that has passed and the time since the last grading. The state of the road from Coffee Bay to Hole-in-the-Wall can be very poor and is virtually impassable in very wet weather. This clearly has implications for tourism in the area, particularly as the entire area would benefit from being marketed as a whole tourism experience.

The area can also be accessed from the Port St Johns road, turning off to Ngqeleni and bypassing the access roads to Hluleka, Presley Bay and Tshani/Umtata Mouth. However, this entails approximately 60 km of unsurfaced road that is sometimes in a poor state. Night travel along any of the roads in the region is not recommended because of the condition of the roads, stray animals, and occasional heavy mist.

Tourists may also fly into the Umtata airport and travel by road to the Coffee Bay/Hole-in-the-Wall area. However, this would generally entail hiring a car because although there is a regular public "minibus" service from Umtata to Coffee Bay, this form of transport is not comfortable by most tourist standards. The backpackers from Coffee Bay undertake a daily trip to Umtata to collect backpackers from the larger bus stops.

6.9.2 Water Supply

Current water supply

Providing potable water to operate resort developments in the Coffee Bay and Hole-in-the-Wall area could present very real challenges for the proposed developments. There is currently no reticulated water system to either area. The Ocean View Hotel in Coffee Bay pumps untreated water from the Nenga River for hotel use and drinking water is obtained from rain water tanks. The Hole-in-the-Wall Timeshare Development pumps untreated water from the Nzulweni River and also uses rainwater tanks for the supply of drinking water. There are also a few low yielding boreholes on private properties in the area. The cottages in the area use rainwater tanks almost exclusively.

Water Demands

The water demands of existing user groups (e.g. Villages, Hotels, Timeshare Day Visitors Backpackers) in the short and medium term were estimated at 1017 kl/day at peak holiday times in the summer. The Mtata River has sufficient water for the entire region.

The DWAF Regional Director indicated that DWAF will no longer be involved in developing water service infrastructure to the Coffee Bay and Hole-in-the-Wall area, and that this role now falls to the District Municipal Water Services Authority (WSA), in this case, OR Tambo DM. DWAF's future role would be mainly as a regulator and would be involved in cross-cutting issues such as capacity building, and infrastructure and facility management. DWAF indicated that the future funding of projects would come from Municipal Infrastructure Grants (MIGs) from the Department of Provincial and Local Government (DPLG).

With respect to water supply at the Coffee Bay and Hole-in-the-Wall area the following are relevant:

1. The "Coffee Bay Regional Water Supply Scheme" consists of five phases only one of which has been completed. This comprises a water reservoir near Coffee Bay, which is filled by pumping from the Mtata river. The reservoir supplies a number of standpoints to villages in the immediate area and includes an allocation to Maphuzi River.
2. The Phase which extends the service to the Hole-in-the-Wall has not yet been funded and no budget has been allocated for the 2004/2005 financial year.
3. An extensive ground water drilling programme has had little success in identifying ground water of sufficient quantity and quality in the area and a regional surface water scheme is the only viable option.

Proposed water supply

A Technical Report (Coffee Bay Regional Water Supply Scheme) prepared in 2001 by FST Consulting Engineers details a proposal for the development of a regional water supply scheme to service the administration areas around Coffee Bay and Hole-in-the-Wall. This proposed water supply scheme will supply 21 000 people in 40 rural villages as well as provide impetus for the Spatial Development Initiative (SDI) to start tourism development at the Coffee Bay, Maphuzi and Hole-in-the-Wall. This scheme proposes to treat water from the Mtata River and then pump and gravitate the water to the relevant areas. The Coffee Bay Regional Water Supply Scheme arose following a Department of Water Affairs and Forestry (DWAF) initiative to supply water to part of the Wild Coast SDI around Coffee Bay as well as the surrounding villages. It would appear that the Scheme will have adequate capacity to supply the proposed development when completed. The scheme consists of five phases only one of which has been completed. Phases 2-4 involve the construction of facilities to pump piped water to Coffee Bay and extending to the villages towards Hole-in-the-Wall. Only in Phase 5 is water likely to be piped to Hole-in-the-Wall. The timing of future Phases of the scheme is uncertain as funding has not been secured, and the cost will be in the region of R30-R40 million at current prices. Apparently the District Municipality has called for proposals to implement Phase 2 of the water supply scheme. This entails the construction of reservoirs and bulk water supply to Coffee Bay and villages in the immediate area, but not to the Hole-in-the-Wall. Officials at O.R.Tambo have verified that this is the case but are unable to define the extent of the further development. DBSA have indicated that they might consider loan funds to the municipality to develop water supply in the region. It is critical that the developers address the issue of water supply with OR Tambo as soon as possible. Upmarket developments are not possible if they are dependent on rain water tanks. Potential funding sources need to be identified (e.g. Consolidated Municipal Infrastructure Programme). Lack of a suitable water supply could constitute a fatal flaw for the proposal.

6.9.3 Waste Management

The current methods of waste disposal in the Coffee Bay – Hole-in-the-Wall area are highly unsatisfactory. In conjunction with CoastCare, The Ocean View Hotel has established a waste pit. There is some recycling of bottles and cans in conjunction with an Umtata company. The rest is burned in an incinerator. The Coffee Shack Backpackers attempt to recycle as much glass, metals and paper as possible and transport it themselves to Umtata. At Hole-in-the-Wall waste is dumped into a pit on the edge of the cliffs above the Mpako estuary. Waste is spread throughout the area immediately surrounding the pit by wind and scavenging dogs and children. This site should be closed immediately.

Although the OR Tambo Waste Status Quo report was completed in April 2003, the report has little to say about waste management specifically in the Coffee Bay area. The report indicated that the capacity and resources allocated to provide waste management services throughout OR Tambo

District Municipality is limited, mainly because of an inability to recover costs from customers. There are no systems to manage and understand the volumes of waste in the area. In addition, there is no waste treatment in the area and waste is merely disposed at sites without a systematic approach and understanding of its future implications.

The O.R.Tambo District Municipality recently engaged Arcus Gibb to develop an Integrated Waste Management Plan (IWMP) and to implement a Waste Management and Capacity Building Project for the municipality. Coffee Bay and Hole-in-the-Wall area will be covered in the IWMP which was expected to be finalized in May of 2004. The IWMP should provide a detailed plan for waste collection, recycling opportunities and disposal in a landfill.

In the event that a development at Hole-in-the-Wall is established prior the implementation of the IWMP, the developers will need to make interim arrangements for waste disposal that comply with the Integrated Pollution and Waste Management Policy requirements (IP&WM) and the National Waste Management Strategy (NWMS) and to dispose of waste in a landfill licensed in terms of DWAF Minimum Requirements for Waste Disposal. In such a case the disposal of solid waste should form part of an Environmental Management Plan (EMP) for the Development.

6.9.4 Sanitation.

There is no water borne sewage disposal system at Coffee Bay or Hole in the Wall. Hotels and cottages all operate on septic tank and French drain systems. These systems are frequently not capable of dealing with the sewage loads and as a result there are seepages and unpleasant smells from many of the existing residential and tourism developments in the area, particularly in peak holiday seasons when loads are greatest. The developer would need to investigate the appropriateness of one of a number of DWAF approved domestic effluent sewage treatment systems. Two wet sewage treatment systems (LILLIPUT™, which has been endorsed by DWAF and DEAET, and the Biolytic filter) are possible options. There are also other dry packaging systems. Thus DWAF compliant technology is available to deal with sewage generated by the development. Any effluent would need to be disposed of in an environmentally acceptable way. The drainage line that runs through the middle of the proposed site should not be used for the disposal of sewage effluent. The disposal of sewage effluent or residual sludge should form part of an EMP. The developers should be aware that the failure to source a satisfactory sewage disposal system would constitute a fatal flaw to the development.

6.10 Cultural Heritage

The rock formation of the Hole-in-the-Wall is the source of a Xhosa myth about water or sea people who were semi-gods. One of these sea people fell in love with a local girl who lived in a village above the existing Mpako lagoon. Her father became angry and forbade the girl to ever see the sea people again. One night at high tide the sea people came to the cliff that towered above the shores of the lagoon bringing with them a great fish. Using its head the great fish rammed a huge hole in the cliff, and the sea people poured through the hole. The village people were terrified and hid, except for the lovesick girl who rushed to join her lover and was never seen again. (Source: CoastCare Fact Sheet Series 2001).

The proposed Ridge development site and immediate surrounding area has no cultural heritage sites as far as can be ascertained. There are no graves, shell middens or monuments or anything else of cultural heritage significance in the general vicinity of the area. However, it should be noted that the Hole-in-the-Wall rock formation is globally recognised as a symbol of the Wild Coast in South Africa. There are a multitude of photographs in various publications and postcards, taken from both the shore and the air, that show the rock formation in one or other aspect. Readily available examples are The Summary Report of the Eastern Cape Coastal Management Programme, which uses two photographs of the rock formation to symbolise the Eastern Cape Coast, and the Coast Care Fact Sheet Series which symbolises the Wild Coast using an aerial photograph. Clearly the rock formation has something of the status of an icon when it comes to representing the South African Wild Coast. The proposed development would be visible in most future aerial photographs of the rock formation but there would be no impact on photographs taken from the shore. There is currently no official protection status for the Hole-in-the-Wall rock

formation but there is a strong feeling among some members of the public that it should be accorded National Heritage status.

6.11 Visual Aspects

There is widespread recognition that the popularity of the wild coast as a tourism destination is due largely to its unspoilt natural environment and natural aesthetic beauty. The area around Coffee Bay and Hole-in-the-Wall is no exception and spectacular cliffs fall vertically into the sea for much of the area between the two villages. Rolling grasslands back the cliffs and patches of coastal forest are present in many of the small valleys between the hills. Existing developments at Coffee Bay and Hole-in-the-Wall somewhat mar the landscape as many of the cottages and houses are run down and in a poor state of repair.

7. PUBLIC PARTICIPATION

This Chapter covers the task of informing Interested and Affected Parties (IAPs) about the Project, and establishing the nature of their concerns regarding its possible impacts.

The Public Participation Process involved the identification of IAPs, distribution of background information regarding the Project and the Environmental Scoping Study, and facilitating opportunities to record the concerns of IAPs through meetings and through written communications.

7.1 Approach

7.1.1 Initial consultations undertaken by CES

Considerable community interaction and stakeholder engagement had been undertaken by Incopho Wild Coast Development Consortium (Pty) Ltd. and CES with local villages, Community Trusts and the SDI Committee before the start of the Scoping process. During these meetings the local communities and stakeholders were informed of the proposed projects and alternatives, as well as the resultant impacts of such developments. These meetings are summarised below.

Summary of meetings held at Coffee Bay during the viability assessment:

24 – 27/11/03 - Coffee Bay Kwa-Tshezi Development Committee

- Lungisa Bosman- Coastal Environmental Services
- Mpumelelo Sodladla- NGZ Consulting Solutions
- Rhini village
- Kham village
- Matokazini village
- Jonga village
- Mthonjana village
- Nzulwini/Komkhulu village

09/12/2003 - Coffee Bay Kwa-Tshezi Development Committee

- Coastal and Environmental Services
- Trustees of Kwa-Tshezi Community Trust.
- Incopho Development Consortium (Developers of Coffee Bay).
- Ntinga OR Tambo Development Agency.
- Line Departments Nationally and Provincially.
- CSIR.
- SDI Committee.
- King Sabata Dalindyebo Municipality.

10/12/2003 - Tshezi Development Programme Committee

- Coastal and Environmental Services
- Trustees of the Kwa-Tshezi Community Trust.
- Incopho Development Consortium (Developers of Coffee Bay).

26/04/2004 -Kwa-Tshezi Community Trust

- Coastal and Environmental Services
- Ward councillor

26/04/2004 - Steering committee meeting

26/04/2004 - Mr. Kanise (Tourism Development Co-ordinator – Ntinga O.R.

- Tambo development agency)
- Ms Pat Maqubela (EIA Review consultant)

- 27/04/2004 -Coastal and Environmental Services
- Village of Kham and Matokazini
 - Chief Ngwenyati at the chief's house
 - Mr. Cetywayo (owner of the property at the ridge)
- 28/5/04 -Coffee Bay-Kwa Tshezi Development Committee
- Mr. Cetywayo – the land owner at the Ridge
 - Chief Ngwenyathi – Kwa-Tshezi chief
 - Mpumelelo Sodladla

7.1.2 Consultations undertaken during Scoping Process

The approach to the Public Participation Process (PPP) was as follows:

- Review of previous and current social facilitation and consultation undertaken by both the developers and CES on this Project;
- Advertisement of the Project through newspaper notices and press releases, and the registration of interested and affected parties (IAPs); A copy of the adverts are included in **APPENDIX G**.
- Identification of Key Stakeholders including government departments, conservation organisations, planning, aid and research NGOs and local hotel, business and cottage owners; individual notification of these stakeholders of the project proposal, IAP meetings details, and invitations to submit written comment. Key Interested and Affected Parties (IAPs) were identified, contacted by telephone, fax or e-mail and their details entered into a data base. A background information document was distributed (**APPENDIX H**).
- Public availability of project information documents. Documents compiled by CES relating to the General Overview of the Coffee Bay and Hole-in-the-Wall area and the Ecological, Economic and Social viability of the proposed projects were made available to the public on the CES website and at Four Winds Guest House in Coffee Bay.
- Meetings with the political leadership base and broad governing structures, including District and Local Municipalities, as far as ward councillor level, local chiefs and representatives of the community trust and district development agency (Ntinga). Further liaison with community structures and Ward councillors was undertaken by the EIA consultants in order to ensure that the development team consultations had been sufficiently inclusive.
- Community consultation and empowerment. As part of an empowerment process, before the Public Meeting, a facilitator spent three days visiting communities of the area and informing them of the date and purpose of the meeting. A community meeting was scheduled for the 24 June, but did not take place due to the absence of the local chief. Communities were, however, well represented at the public meeting held on the following day.
- IAP Meeting. A public meeting was held on the 25th June 2004. The meeting was preceded by a site visit. The meeting was held at the Ocean View Hotel in Coffee Bay. Roughly 70 people attended the meeting with representatives from the community and community organisations, government departments, district and local municipalities, cottage owners and local businesses. The attendance registers for the site visit and the meeting, as well as the minutes of the meeting are included in **APPENDIX I**.
- Submission of public comment. IAPs were asked to submit any final written comments by the 2nd July 2004. An additional consultation session was scheduled for Coffee Bay on Wednesday, 30 June. Minutes recorded from these sessions have been included in **APPENDIX I**.

- All IAPs are to be kept informed of the outcome of the scoping report with particular reference to those issues raised at the IAP meetings. The Draft Scoping Report was made available to all registered IAPs for a period of 15 working days and their comments were incorporated into the Final Report.

7.2 Key Stakeholders

The following Key Stakeholders were identified during the scoping process:

7.2.1 Community Interests

- Kwa-Tshezi Development Trust. This trust was formed to represent the Kwa-Tshezi communities in the development company Hole-in-the-Wall (Pty) Ltd. The trust owns 45% of the company shares and is supposed to have eight members, but at the present time there are only six members. These are: Thobeka Nkonkwana; Vuyiswa Nyali; Ngonqana Mlamleli; Vulindlela Zenzele; Zibekile Tupayi; Nosicelo Nombanjani.
- Kwa-Tshezi Development Programme. This committee consists of members elected from the different areas of Kwa-Tshezi. The aim of the committee is to look at all developments in the wider area. In theory all developers coming to Coffee Bay must work with this committee. The committee will then liaise with the different communities and inform them about the developments. The committee has seven members with an additional member being co-opted when necessary.
- Tshezi Civil and Business Association. Represents business interests in the Hole-in-the-Wall and Coffee Bay Area. The Chairman is Mr Nathi Mvunge.
- Tshezi Youth Group
- Pondo Crop Coast Care Project.
- Ward Councillor: Mr Titi (Ward 1 of the KSD Municipality)
- Ward Committee: Ward 1 of KSD Municipality
- Chief of KwaTshezi: Chief Ngwenyathi
- Mr Cetywayo: Holder of a PTO for the proposed Ridge development site.

7.2.2 Regulatory Authorities

- Department of Economic Affairs, Environment and Tourism: Umtata Regional Office and Bisho Head office. DEAET is responsible for the evaluation and authorisation of the Project Proposal in terms of the EIA Regulations.
- Department of Land Affairs.
- Department of Water Affairs and Forestry. Indigenous Forests and Water Quality
- Marine and Coastal Management.

7.2.3 Other Authorities

- King Sabata Dalindyebo Local Municipality. Ward 1 falls within the KSD Municipality. The Engineering and Town Planning Departments were consulted.
- OR Tambo District Municipality. The KSD Municipality falls within the OR Tambo District Municipality
- Ntinga Development Agency

7.2.4 Conservation Interests

- European Union
- Wild Coast Conservation & Sustainable Development Project
- Wildlife and Environment Society of South Africa
- Eastern Cape Nature Conservation
- World Wildlife Fund (WWF) – South Africa
- Environmental Justice Networking Forum

- United Nations Development Programme (UNDP) and Global Environment Fund (GEF)
- Endangered Wildlife Trust
- Grass Roots Education
- Soil For Life
- Transkei Land Service Organisation

7.2.5 Business / Tourism Interests

- Ocean View Hotel – Coffee Bay
- Kwa-Tshezi Hotel – Coffee Bay
- Hole-in-the-Wall Hotel – Hole-in-the-Wall
- Coffee Shack Backpackers
- Tshani Backpackers
- Bomvu Backpackers
- White Clay Resort
- 4 Wind Guest Lodge
- Mantuse Dassie Craft
- Wild Coast Hotel Association
- Port St John's Tourism
- Eastern Cape Tourism Board

7.2.6 Other Interests

- Cottage Owners: Hole-in-the-Wall
- Hole-in-the-Wall Cottage Owners Association
- Coffee Bay Cottage Owners Association
- Cottage Owners: Coffee Bay
- Wild Coast Cottage Owners Association
- Umtata Mouth Cottage Owners
- Campers and Boat House owners, Mapuzi
- Border Deep Sea Angling
- Wild Coast Ski Boat Club
- KZN Underwater Club
- Mussel Rehabilitation Project. University of the Transkei

7.2.7 Project Interests

- Eastern Cape Development Corporation
- Development Bank of South Africa
- Incopho Development
- Coastal and Environmental Services
- Institute of Environmental and Coastal Management

In addition to the above organisations, a number of private individuals registered as IAPs. A complete list of IAPs is included in **APPENDIX J**.

7.3. Capacity and Social Constraints

Whilst most of the villages in the Coffee-Bay – Hole-in-the-Wall area are aware of the developers (Incopho) and the proposed developments, some of the villages have felt that they were not properly consulted in the early stages of the process. This can be rectified by the proponents (Coffee Bay Hole-in-the-Wall (Pty) Ltd) returning to these areas and re-consulting the communities. A representative from KSD municipality should be invited to attend these meetings in order to mediate any differences and issues between the Trust and communities.

A further problem is the existence of three trusts in the Coffee Bay – Hole-in-the-Wall area. There has been some confusion amongst community members as to which one is representative of the local communities with regard to the proposed development. In some areas people do not even know that there is a trust that was formed by Incopho and the Kwa-Tshezi community. Incopho need to consult with Ntinga and O.R. Tambo and organize meetings with these communities to resolve these problems. It is also necessary for the KSD municipality to get involved in this process and bring together all the different trusts in the area to determine their representation and interests. The involvement of KSD municipality will also ensure the participation of the councilor in the process.

A constraint to the development is the lack of representatives in the Kwa-Tshezi Trust from the village of Lower Mpako. This is a result of political tension between the headman and the ward councilor who resides in the area. It is also clear from the information gathered from meetings that local politics has a major influence in these communities. This results in divisions within the community, and this retards any development process. The developers can only resolve these problems by continued interaction with all the communities and transparency around the development process. Most problems can be overcome with proper consultation.

There are some fears within the communities about who will benefit the most from the Kwa-Tshezi Trust, since some villages are not represented on the trust. People from Mathokazini are unhappy, as they do not have someone representing their village on the trust and the development committee. Members of the Kham village near Hlungulwana, have indicated that Incopho did not properly consult them to discuss the projects. Their unhappiness may be a result of lack of representation on both the Trust and Kwa-Tshezi development committee. However, members of this village are aware of the intended development projects and they are waiting for the projects to begin. They also claimed to know nothing about the Trust but one of the developers visited them and explained the Trust to them.

Due to the high level of illiteracy in the Coffee Bay and Hole-in-the-Wall communities, it is difficult for the majority of community members to understand the issue of the trust properly. The youth are in a better position to understand these developments than elders in the villages. As a result, the trust has a majority of young people as representatives for the communities. Young people are more active in developmental issues than older people and are in a better position to participate meaningfully in the trust and make informed decisions about the developments. However, considerable capacity building is still required.

The issue of community involvement is critical to the development process, particularly if the development is to benefit the local communities. **It must be noted that it is very difficult to reach full consensus and agreement with all the people involved. This is particularly true when there are political issues within the communities.** However, this does not in anyway reduce the importance of community participation in development.

7.4 Key Issues

Issues and concerns raised during the stakeholder consultations have been extracted from the minutes of meetings and correspondence received, and are presented below. The minutes of the stakeholder meeting and a detailed issues and response trail is provided in **APPENDIX I** and **APPENDIX K**. All correspondence received by IAPs is included in **APPENDIX L**. Comments received after public review of the draft Scoping Report are included in **Appendix M**.

Development without Strategic Planning

- The lack of a Strategic Development Framework or plan for the Coffee Bay and Hole in the Wall area is perceived as a major concern.
- Developments should not be approved in the absence of a Strategic Environmental Assessment and approved development framework for the region.
- New Developments should only take place within existing development nodes, ie at Coffee Bay and Hole-in-the-Wall.
- Development outside of these nodes would set a precedent and ultimately result in ribbon or strip development as is the case in the KwaZulu Natal South Coast.

Impact on Aesthetics of the Wild Coast and Sense of Place

- Developments of this nature would impact on the unique nature of the Wild Coast which is famed for its natural beauty.
- Uncontrolled development of the Wild Coast for tourism would ultimately impact negatively on the tourism potential as most tourists are drawn to the area as a result of its remote and undeveloped nature.
- There are other areas which are better suited to this form of development, such as Hluleka and Dwesa – where existing facilities require upgrading.

Impact on the Hole-in-the-Wall visual experience and Sense of Place

- The Hole-in-the-Wall is a recognised icon of the Wild Coast and is often used to promote the area, and indeed South Africa, as a tourist destination. The Hole is a unique landform visited by hundreds of tourists on an annual basis.
- A development of this nature in the proposed site would impact negatively on the unique nature of the site and on the experience enjoyed by visitors to the Hole-in-the-Wall.
- The Hole-in-the-Wall area should rather be protected by being proclaimed as a nature reserve or national heritage site and protected from any future development. The forest at the base of the hill should be protected from further impact.
- The Wild Coast Tourism Development Policy indicates that no development should take place in areas of outstanding natural scenery. Surely the Hole-in-the-Wall qualifies as such a site?
- Free access to the view site for members of the public must be maintained. What guarantees are there that this will always be the case?
- The development should be moved further to the North East towards the existing hotel development in order to avoid impinging on the Hole-in-the-Wall experience.

Land Tenure and other legal considerations

- The issue of land tenure along the Wild Coast is currently under investigation and has not been finalised. Until such time that this has been resolved, no new developments should be allowed. The right of the proponent to the property is questioned.
- There is an existing moratorium on development within 1km of the high water mark. How can this development proceed under these conditions?
- The land proposed for the development is allocated to a community member for grazing purposes. What will happen to this right should the development proceed and has this person been consulted?
- Existing legal cottages do not have any tenure agreements at present although this is under review. An issue raised by cottage owners at Hole-in-the-Wall is that lack of tenure security prevents them from investing in their holiday homes. If security of tenure was assured, many of them would be willing to upgrade their cottages and this would result in substantial building activity and economic input into the area.

Economic Impact on other Businesses

- Development should take cognisance of current local trends and statistics when undertaking their financial feasibility assessments. Existing businesses are not operating at optimal occupancy levels.
- All three proposed developments would effectively double the number of bed nights currently available in the Coffee Bay and Hole-in-the-wall area. This would have negative consequences for all of the establishments as it would result in the lowering of prices, possibly forcing some of the hotels out of business. The area's capacity to absorb additional bed nights without adversely affecting existing establishments is limited.
- The establishment of a new tourism facility may adversely affect current tourism numbers as less people are attracted to the area as it becomes more developed.
- The developer should consider purchasing the existing Hole-in-the-Wall hotel (which is apparently for sale) and improving this instead of building a new facility.
- Development must provide an opportunity to upgrade existing nodal areas in a creative and sensitive manner.

Impact on Existing Infrastructure

- There is a concern regarding who will be responsible for supplying and maintaining water services and sewage treatment facilities as there will be increased demand on these services as a result of the new development.
- Coffee Bay and Hole-in-the-Wall are currently not adequately supplied with services (roads, water, electricity and sewage treatment).
- There is a need for the proper development of services within the Coffee Bay and Hole-in-the-Wall villages.
- Borehole water at Hole-in-the-Wall is of a very poor quality. Only rainwater is used and this is very restricted.
- Where would road building material be sourced from? Concern regarding the impact of borrowpits and the rehabilitation thereof.

Pollution and Waste Management

- Pollution resulting from sewage spillage and seepage into wetlands and forests and onto beaches is a concern.
- The current waste disposal system at Hole-in-the-Wall is not adequate. The development at the Ridge will add to these problems. The development should be encouraged to recycle all of its waste.
- Construction waste must be disposed of appropriately.

EIA Process

- Insufficient time has been allowed for public participation. The time allowed for the site visit and meeting was inadequate.
- The independence of the appointed environmental consultants is questioned.

Sustainability and financial viability

- The development must fulfil the cornerstones of sustainable development: ie it must be socially, financially and economically sustainable.
- Concern regarding the lack of experience of the developers (Incopho) and whether they have the capacity to successfully manage the developments.
- What happens if the developers fail? Will there be someone else there to carry on?
- Consideration should be given to a phased development, rather than constructing all at once.
- Was the Transkei Tourist Authority consulted in the marketing survey? The viability of the development will be strained if it is not part of the tour plan.
- The development should be put out to tender to ensure that the community get the best deal. It should not be exclusively available for Incopho.
- There should be a time limit on development. If the development is not undertaken within a certain time, then the right to develop should be forfeited.

Social Impacts

- The development claims to be alleviating poverty, but tourism will not satisfy the Tshezi's peoples real needs. The government needs to contribute more significantly to development in the area on a macro-economic scale.
- There is a concern regarding the manner in which the communities (who would own 45% of the company) would benefit and the how this would be controlled.
- What training would be provided? How will staff be housed?
- The benefits to the community must outweigh the costs. Mechanisms must be put in place to ensure that the community benefits. There must be no empty promises.
- Impact of the development on the current grazing rights which are in place on the site is a concern.

Social and Economic Benefits

- The development will supply employment and assist in poverty alleviation in the area.
- The provision of jobs will lessen the impact on the environment which is currently taking place due to a high dependency levels of the community on the natural environment.

- The community must benefit from new developments in the area in terms of the provision of water and sanitation services, training and skills transfer.
- Controlled development will prevent uncontrolled occupation of sensitive coastal sites.

Constitution of the Trust and consultation with Communities

- There is a concern regarding the manner in which the Trust is constituted. Is it representative of the community?
- Lack of consultation with the Rhini Community and Development Committee. The Rhini community were only consulted by representatives of the developer. Mr Bosman will need to approach the community and the Development Committee himself should he wish to proceed with the development. Without doing this, he will never be successful. The Rhini Community are concerned that there will be a repeat of what happened at the KwaTshezi Hotel, although they would not elaborate on what this was.

Impacts on Soils and Vegetation

- Soil is highly erodable in the area. Construction of roads and the development may result in soil erosion.
- The impacts on the vegetation must be assessed carefully to ensure that no vulnerable or protected species are going to be affected.

7.5 Comments on Draft Report

The Draft Scoping Report was circulated to registered IAPs and other key stakeholders on the 6/08/2004 with a response period of three weeks, concluding on the 27/08/2004. Comments received have been incorporated into **Appendix M**. Key concerns highlighted in the responses are discussed below:

Developer Concerns: Nodal Boundaries

The lack of gazetted boundaries is clearly an important issue for the developer (see Appendix M). He believes that the draft nodal boundaries are the simply an interpretation by a single consultancy and therefore carry little weight in terms of development planning. The EIA Consultants feel that these nodal boundaries were drawn up by a responsible consultant contracted to an international conservation funding body and as such they are the best available planning option at present. The developer also highlights the fact that the coastal forest area of the old Hole-in-the-Wall campsite is included in the draft nodal boundaries and as such he questions why it should be excluded from development considerations. However, the campsite was assessed as a sensitive area by CES (see CES documents Volume 3) and we concur with this assessment. Thus the site should not be considered for development regardless of whether or not it falls within the draft nodal boundaries (see also Chapter 8).

Developer Concerns: Alternative Site

During the public review period, the director of Coffee Bay and Hole-in-the-Wall (Pty) Ltd made it clear that he does not favour the proposed alternative site because it overlooks the existing cottage/hotel development at Hole-in-the-Wall and thus the view and sense of place is impaired (see Appendix M). The positive and negative aspects of the view from the alternative site are adequately discussed in Chapter 8. Visitors staying in accommodation units on the alternative site would certainly see the existing town and hotel complex, which are not particularly attractive. However, they would also have spectacular sea views out over the bay. At the proposed site very few of the accommodation units will have any view at all, but it is true that they will not see the existing township. Negative aspects of the view from the alternative site could be mitigated to quite a large degree by landscaping, unit design and fast growing vegetation. The developers, Coffee Bay and Hole-in-the-Wall (Pty) Ltd, do not address the impact that a development on the proposed site would have on the sense of place associated with the Hole-in-the-Wall rock formation.

The director of Coffee Bay and Hole-in-the-Wall (Pty) Ltd has indicated that that the community also favour the proposed site over the alternative site, but no reasons for their preference are provided (see Appendix M). Community responses to the draft Scoping Report (see Appendix M) reflect mainly dissatisfaction with the director (Mr Bosman) of Coffee Bay and Hole-in-the-Wall (Pty) Ltd. Ilitha believe that as an investor Mr Bosman has done more than enough in so far as the

consultation process is concerned. It is not clear what underlies the community dissatisfaction. It is possible that there is a communication break down between the Administrative Authorities and the local authorities. One community member from Hole-in-the-Wall indicated that he does not accept the proposed development because of a proposed change of site.

In his public review comments, the director of Coffee Bay and Hole-in-the-Wall (Pty) Ltd also refers to the Campsite development at Hole-in-the-Wall as being an important priority for the community (see Appendix M). Presumably this refers to the original Hole-in-the-Wall development proposal situated on the site of the old campsite at sea level in the coastal forest immediately opposite the rock formation. This site was considered too sensitive by CES consultants who recommended that it should not be developed (CES documents: Volume 3). Any development would impact on the coastal forest and development of the site would unacceptably restrict public access to the rock formation.

Developer Concerns: IAP input

The developer has concerns that only selected correspondence received from IAPs has been provided in Appendix K, resulting in an incomplete record of IAP submissions. The EIA consultants would like to state categorically that all correspondence was captured on their data base and has been presented verbatim in Appendices K and M.

Community Concerns

Following the public review of the draft Scoping document, members of communities in the Hole-in-the-Wall area expressed dissatisfaction with the involvement of the Director of Coffee Bay and Hole-in-the-Wall (Pty) Ltd in any developments in the area (see Appendix M). It is not clear why this dissatisfaction has arisen but it may be related to the length of time it has taken to get the development proposal to a point where it might become a reality. The long delay is mainly a result procedural processes that have to be completed before the development can proceed. It is not possible for us to address the dissatisfaction of the community with the developer. Further, a number of community members expressed dissatisfaction about the extent to which their communities had been consulted by the developer. Clearly, further consultation between community members and the developer is required.

DBSA Comments

The DBSA approves the EIA Consultants proposal for the alternative site although they still have a concern that there is no spatial plan guiding development, nor is there a policy regarding unsolicited bids for prime coastal zone areas. They request that further details be provided regarding architectural design and landscaping; the type of sewage facility and a basic outline of broad impacts for infrastructural developments. They also stipulate that a clause be inserted that should the project fail, then the developer should be responsible for the rehabilitation of the environment to its former condition (see Chapter 10). They welcome the idea of the developer taking responsibility for upgrading the environment around Hole-in-the-Wall, beyond the site itself, however they require detailed plans regarding reforestation and upgrading of the grassland ridges around the site.

Further details regarding the architectural design and landscaping were requested by the EIA consultants prior to concluding the final report, but are not available at this stage of the project. A broad assessment of the impacts of the infrastructure development such as bulk water supply, electricity and access roads has been included in Section 9.17. It should however be noted that, as stated in Section 4.1 and 4.2, that this scoping exercise does not incorporate a detailed assessment of these services. The upgrading or construction of access roads, construction of powerlines and bulk water supply lines are all listed activities in terms of Section 21 of the Environment Conservation Act and regulations pertaining thereto and will therefore require a separate authorisation from DEAET. FST Consulting Engineers have indicated that they undertook a detailed EIA for the completed phases of the Coffee Bay water supply scheme. They have received approval in principal from DWAF for the completion of the scheme, but would need to supply a detailed design plan before implementation. Pipelines would mainly follow existing roads.

8. ASSESSMENT OF PROJECT ALTERNATIVES

8.1 Introduction

Almost any development proposal that is located along the Wild Coast is going to encounter difficulties when it comes to acceptance by members of the public who have an interest in conservation or are stakeholders of some description in the area of concern. There are concerns from stakeholders with business interests that new business will reduce their slice of the tourism market by reducing occupancy rates that are well below capacity. There are other supply side business interests not directly affected by the primary focus of the development, who see such a development as a potential for expanding markets. The Wild Coast in general has great natural scenic beauty and is one of the few southern African coastal areas that have not as yet been subjected to large-scale development processes. There is a fear amongst South Africans who visit or have visited the Wild Coast and enjoy the freedom from urban pressures, the open spaces and the sense of relatively undisturbed natural processes, that the Wild Coast may become another KwaZulu-Natal South coast, where ribbon development spans almost the entire coast. There is widespread recognition among conservationists and ecologists that the Wild Coast requires special attention for protection and conservation because of its very rich botanical and marine bio-diversity and high levels of endemism, and its position as a transition zone between two marine biogeographic provinces.

There are concerns from local rural people of the Wild Coast that the other citizens of South Africa are acquiring greater material wealth while they have no opportunities to do so. Further, sometimes it must appear to indigenous coastal people of the Wild Coast that wealthier South Africans are determined to lock them into this cycle of poverty simply because the wealthy people like the view and the uncluttered landscape. There is a recognition by local, regional and national government that the region of the former Transkei is one of the most impoverished in the country, and that they therefore have a duty to stimulate the local and regional economies in order to address this poverty. Finally, there is a finite limit imposed by the land, landscapes and ecosystems to absorb change imposed by anthropogenic drives to modify the environment for a wide range of reasons.

All these various concerns, limitations and interests have to be reconciled and it is for this purpose that there is a process of public participation, planning policies and commitments to sustainable resource utilisation in the widest sense. However, even with these tools, realistically, it has to be accepted that it is not possible to satisfy everyone. For example, the concept of sustainability is very difficult to define. UNEP (1991) defines sustainable development as *'Improving the quality of life of humans while living within the carrying capacity of supporting ecosystems'*. The International Council for Local Environment Initiatives defines sustainable development as *'Development that delivers basic environmental, economic and social services to all without threatening the viability of the natural, built and social systems upon which these services depend'*. Notwithstanding these definitions, the concept of sustainable development entertained by a jobless rural villager will undoubtedly differ markedly from that of an inland urban executive. Generally the best that can be achieved is a series of acceptable trade-offs within a carefully planned development framework.

At the primary level, the proposal for development of accommodation on the ridge above the Hole-in-the-Wall rock formation has two options: Either there is no development (the no project alternative) or there is a development that is modified in one or other way to meet the requirements of as many of the interest groups as possible. One of the most common objections to a development proposal is its location, and shifting the development to a different location can often go a long way to reducing potential conflict (alternative sites).

8.2 No-project Alternative

Negative impacts associated with a No Project Alternative

Possibly the most important consequence of the no project alternative is that the current situation with regard to the endemic poverty in the Hole-in-the-Wall area will continue as before. The proposed development will provide employment for at least 57 local people and possibly more, depending on the capacity building programmes that the developers initiate to train staff to management level. Tourism has been defined as the lead sector for the Wild Coast as a whole and this project would begin implementation of this tourism development programme. It can be argued that 57 jobs provide insignificant input to the local economy, but a start has to be made somewhere. If the development is a success there will be significant knock-on effects in that the area will become recognised as a desirable destination and further tourism initiatives will develop. This will not occur if there is no project. The community response to the draft Scoping Report during the period for public review clearly indicates that development is a priority (See APPENDIX M).

Development initiatives that increase tourism to the area have the capacity to create significant pressure on municipal authorities to improve the infrastructure of the region. If there is no development then there will be no incentive to improve infrastructure.

- Existing road access to the Hole-in-the-Wall is Development is poor. Improved road access not only benefits tourism initiatives, but results in other wide-ranging benefits to communities in the area. These include ease of access to social services, more economical movement of goods in and out of the area, and more favourable opportunities for other business developments. All of these will impact favourably on the general economy of the area and the quality of life of residents of the area.
- Waste management in the area is currently highly unsatisfactory, impairing the visual attractiveness of the area and creating health problems. The developers would have to establish a satisfactory waste management system which complies with the Integrated Pollution and Waste Management Policy requirements. Without the project the existing unsatisfactory waste management procedures is more likely to continue.
- The development cannot go ahead without the provision of a suitable water supply. A reticulated water supply to the development would almost certainly result in piped water being made available to the communities in the Hole-in-the-Wall area. Lack of potable water is one of the major problems for local people. The provision of a piped water supply as a result of the development would have major beneficial impacts on the lives of local residents, resulting in both improved health and more time to devote to other activities. Without the development there is little incentive to fast track the KSD Municipality Water supply scheme.
- The proposed development would also result in an expansion of the existing electrification to the area and this also will significantly benefit local communities. Without the proposed development the status quo will remain unchanged.

Significant environmental degradation results from the general poverty of the area. This is mainly evident in the unsustainable use of forest resources (wood cutting) and over-grazing in both the forest and grasslands environment. The Ridge development would attempt to acquire land adjoining the development site, and manage it for the benefit of all. If possible, the developers would undertake to manage the area of coastal forest immediately below the development site in front of the rock formation as a conservation area, and develop it for day-trippers and sightseers. The forest itself is currently in a poor state as a result of browsing and wood-cutting. However, it has the potential to be a fine example of the coastal forest habitat if it was managed properly. The forest would rapidly rehabilitate if the area was fenced and livestock eliminated.

The provision of a high quality tourism facility and increased visitor numbers provides impetus to the proposal to have the Hole-in-the-Wall site declared a National Heritage Site. Without development this impetus may be lost.

Currently there is only one hotel in the Hole-in-the-Wall area. There is thus no competition for the tourist trade and limited incentive to provide high standards of service. The development of a second resort would provide competition and probably result in a general rise in hospitality standards. This will not occur if there is no development. However, it should also be noted that increased competition for an insufficient resource (the tourist trade) could result in the existing hotel becoming financially unviable. This would have quite serious implications both for the general economy of the area and for the visual aspect of the environment.

Lack of potential disposable income resulting from no development related jobs will result in continued pressure on low value marine resources (mussels, limpets etc) that are commonly harvested for subsistence purposes.

The development of a second resort at Hole-in-the-Wall could result in a sharing and therefore in a reduction in some of the costs associated with resort operation (eg. advertising). Without the project this will not occur.

Community expectations have been raised by the many discussions and community meetings that have taken place in relation to this development and the other development proposals originally put forward by Coffee Bay and Hole-in-the-Wall (Pty) Ltd. Unfortunately these discussions took place long before there was any consideration of the possible environmental impacts of the developments and before the proper environmental evaluation process was initiated. It can be argued that because the proper processes were not followed, dealing with disappointed community expectations is simply a problem for the developer to resolve. However, there are possibly quite serious environmental implications if the community becomes disillusioned as a result of a no project decision. They will be unwilling to engage in participatory processes related to other issues and developments. They may well decide to take matters into their own hands and initiate either a retaliatory process (cf, Dwesa community responses to management initiatives) or go ahead with their own developments without consulting any of the authorities. Already there are two illegal shacks close to the development site and a local person has built five or six accommodation units on the hills to the north east of the Hole-in-the-Wall village.

Positive impacts associated with a No Project Alternative

The development of the proposed site will result in minor loss of grazing for the stock of local communities. Perhaps more importantly, the development of the proposed site will result in a loss of drinking holes for stock. It is not immediately obvious where stock would find alternative sources of drinking water. Thus although the actual loss of grazing area may be relatively insignificant in terms of the size of the development footprint, in practical terms the loss of grazing area may be quite extensive because stock are forced to graze in areas that are further away but are close to drinking water. If the development does not take place then this loss of grazing and access to water will not occur.

The no project alternative will result in lower numbers of tourists to the Hole-in-the-Wall area and thus reduced pressure on high value marine resources (lobsters and fish) that are commonly sold to tourists and tourism developments such as hotels.

The no project alternative will result in the continued financial viability of the existing Hole-in-the-Wall hotel.

The no-project alternative may allow for the protection and preservation of a wider area around the Hole-in-the-Wall rock formation and allow tourists to enjoy the sense of place without the presence of a development immediately behind them (assuming no other development is allowed).

Conclusion

Generally there appear to be more and greater negative impacts associated with the no development option than there are with the development option. We feel that these are particularly relevant in relation to the impact no development would have on the community and local economy. Further, if the developers could obtain a mandate to manage the area surrounding the development (including the coastal forest below the proposed site) for the public benefit, it might have benefits for the public in general. Under proper management the grasslands and coastal

forest would be rehabilitated and provide an extra dimension to the tourism experience. In addition, any development would provide increased markets for the sale of local agricultural produce and curios and may well act as a force to fast-track infrastructure improvements that would benefit all. Thus we would recommend that development is preferable to no development.

8.3 Existing Alternative Routes/ Sites

The original site identified for this development was the old Hole-in-the-Wall campsite in the patch of coastal forest immediately facing the rock formation. CES identified this site as environmentally too sensitive for such a development. The community then proposed a site on the hillside above the road, facing the rock formation and with spectacular views of the sea and rock formation. However, any development at this site would have a very high visual impact, being visible from the entire area surrounding the rock formation and breaking the skyline. Moreover, it would be very exposed to the prevailing winds. CES therefore suggested moving the development slightly north east to the currently proposed site. This site is a small depression between two hills and any development would have a very much lower visual impact.

Because of the sensitivities surrounding the impact of the development on the sense of place associated with the Hole-in-the-Wall rock formation the EIA consultants (Terreco/FieldWork/Ilitha) identified a possible alternative site during one of their site visits. During the Public Participation site visit the area was also suggested by a number of IAPs as a possible alternative. This is the grassy area over the hill immediately to the north east of the currently proposed development site (see Figure 8.1). It lies within the draft nodal development boundaries and extends uphill inland and to the left from the existing road and ablution block. The aspect is north-east facing with a moderate slope towards the sea and a small drainage line on the left hand side of the site. There appears to be sufficient area on the hillside without having to extend the development over the drainage line. The vegetation cover over the entire area is grass, which preliminary examination indicates is in the same degraded state as the proposed development site. Thus a development is unlikely to impact on any sensitive habitat. There appear to be no cultural heritage sites in the vicinity. The sea view out over the bay from anywhere on the site is spectacular. However, the view also incorporates the cottages and houses that comprise the Hole-in-the-Wall settlement, and this view is relatively unattractive. The unfinished ablution block is located at the bottom of the site and this too is not attractive. However, it would be possible to mitigate this latter effect by planting fast growing, bushy vegetation. It should be noted that only about 10 of the proposed 50 accommodation units that are located towards the front of the north eastern slope of the currently proposed site will have any view of the sea and the Hole-in-the-Wall rock formation. All the rest of the units will have only the small valley containing the rest of the development and the top of the rock formation and pinnacle to the left of the rock formation as a view. They will not have any spectacular sea views. Having said this, the proposed restaurant and boma at the location currently proposed by the developers will have an outstanding view of the sea and the rock formation.

A homestead is located on a plateau above and to the southwest of the proposed alternative site. The site would be sheltered from the prevailing winter south-westerly winds but would be fully exposed to the summer north-easterly winds. Any development on this alternative site would form a part of the Hole-in-the-Wall village and would be visible from most of the existing cottages. Thus the visibility impact is relatively high. This is a disadvantage, but it must also be noted that the visual aspect of the Hole-in-the-Wall area is already marred by the presence of the hotel and existing cottages, and a development on the alternative site would constitute an extension of this impairment and not a wholly new visual impact. Further, a development on the alternative site can be easily located so that it does not break the skyline. An advantage of the currently proposed site is that the visual impact of the development itself will be relatively minor, because of its location in a small depression between two hills.

One of the major points of conflict that emerged in the IAP meeting and in correspondence emanating from the public participation process was the impact on the "sense of place" that the proposed development would have on the view of the Hole-in-the-Wall rock formation. Many people felt that in view of the status of the rock formation as an icon of the Wild Coast, no development should be allowed that interfered in any way with this status and sense of place. Certainly, the existence of a development on the currently proposed site will interfere to some

extent with the sense of the place of the area, because it will be located close to the road and intrude on any sense of isolation, particularly as there is likely to be significant vehicle traffic in and around the development. However, such a development would not impact at all on the view of the rock formation itself, because it is located behind any viewpoint. Any development on the alternative site will be entirely shielded from the vicinity of the rock formation and will maintain the existing sense of place. In addition it will not impact on any future aerial photographic images of the Hole-in-the-Wall rock formation, which is not the case for the currently proposed development. Thus the alternative site is likely to be much more acceptable to the general public than the proposed site. However, the developer does not find the alternative site acceptable because he believes that the view of the existing Hole-in-the-Wall settlement is sufficiently unattractive to seriously compromise the success of the development. We have described the negative and positive aspects of this view above. We believe that if the development is sufficiently well designed, built, marketed and operated, the view is unlikely to be a cause for failure. Only one community member referred to a change of site as being unacceptable but no reasons were given. The loss of grazing area would be approximately the same, for either site, but development at the currently proposed site will result in a loss of waterholes for livestock. This loss of waterholes might force livestock to graze further afield. Use of the alternative site would avoid this impact.

The construction of a facility of different size or design is an option that can sometimes address public concerns related to a development. In the case of the proposed Ridge development, the accommodation unit design (single storey chalets) has already been chosen to minimise the visual impact and the financial viability depends on the development comprising 50 or more units (CES Vol.2: Financial viability of proposed projects). Thus it is not feasible to reduce the size of the development. In addition, the main public sensitivities revolve around the intrusion of the development on the sense of place surrounding the Hole-in-the-Wall rock formation. Any development with its attendant buildings and traffic will intrude on this sense of place.

Factors relating to the existing development proposal on the currently proposed site and the alternative site are listed and compared in Table 8.1.

Figure 8.1 Proposed Alternative Site for Ridge Development. Image from CES

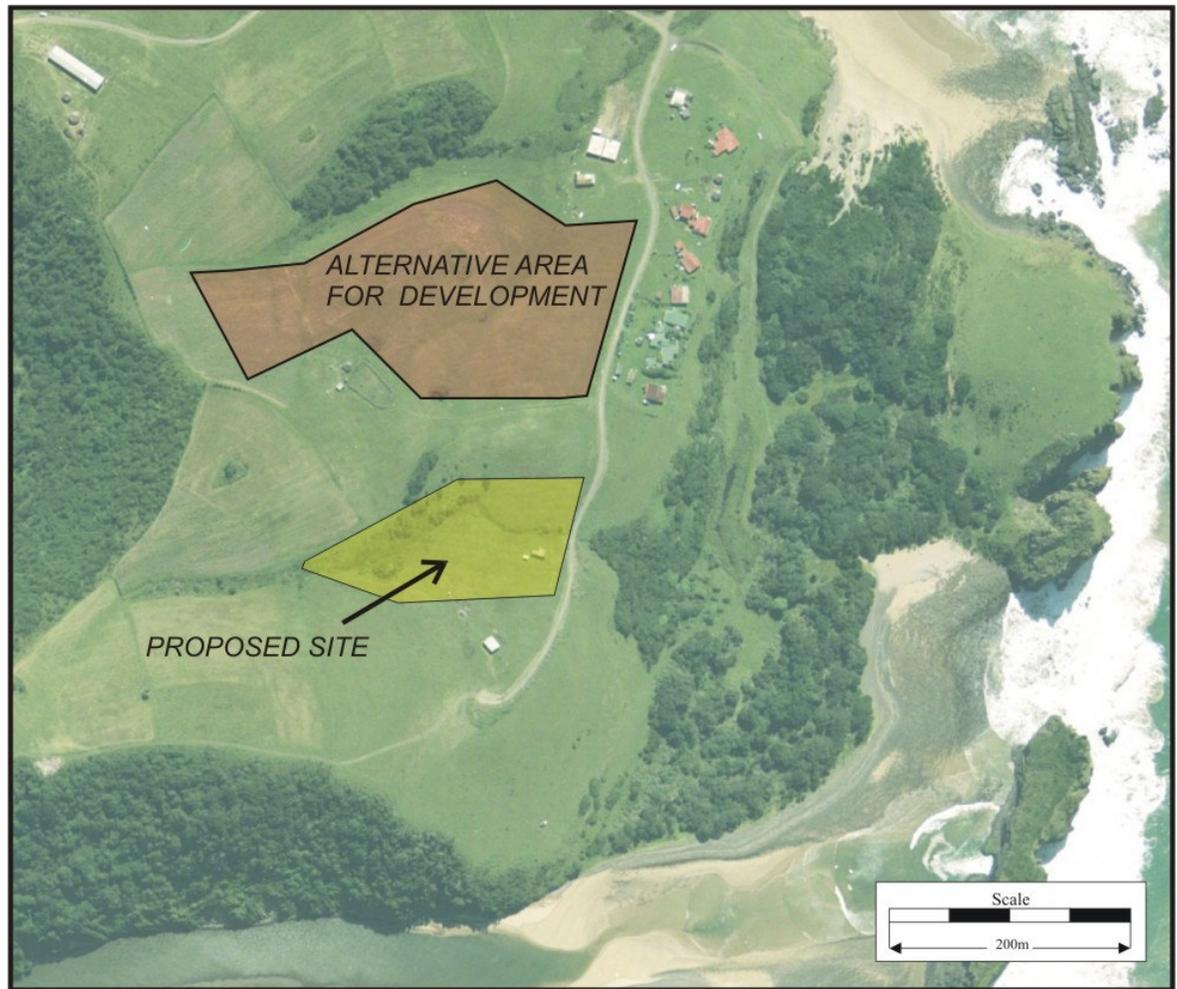


Table 8.1 Comparison of impacts of currently proposed site and alternative site

Impact of development		
Impact	Current site	Alternative site
Draft Nodal area	Inside, but toward periphery of Draft Nodal Area for Hole-in-the-Wall	Well inside draft Nodal Area
Visibility and Visual Impact	Low visibility from surrounding areas as it is located in the depression between two hills. High visual impact for access road to view site, and possibly from view site.	High visibility from areas to the north and north-east of the site. Visual impact will be reduced provided that the development is kept below the skyline. Visual impact will be tempered by its proximity to other largely unattractive developments.
Sense of Place at Hole-in-the-Wall	High – development will be immediately behind the view site and may – for some visitors - impact on the quality of their experience on visiting the site	Low – this site is located well away from the Hole and is adjacent to existing developments and cottages.
Ecological sensitivity	Low. Botanical investigations and analyses undertaken by both the CES and David Hoare indicated that the site had been highly disturbed in the past and currently had a low ecological sensitivity.	Low. This site is similar to the proposed site
Impact on drainage lines	Moderate. A drainage line passes directly through the proposed development site. Regardless of the measures taken to protect this during construction, the development will have a direct physical impact.	Low. The development may be positioned in such a way as to avoid a direct impact on any drainage line. Increased runoff from impermeable surfaces, roofs etc will impact on drainage line at the base of the hill
Erosion potential	Moderate. Runoff from the site is directed into the central drainage line which is channelled under the access road and discharged down a steep bank into the forested areas below. Increased runoff may result in erosion of the bank if the correct protection measures are not taken.	Low. Runoff from the site is directed into a more well- developed drainage line which passes below the ablation facilities. This discharges onto the beach. The gradient of this stream is gentler than for the proposed site. Erosion as a result of stormwater runoff from the site is likely to be less.
Community Impacts	Development of this site will result in the exclusion of grazing lands and cattle watering holes. Low impact	Development of this site will result in the exclusion of grazing lands. No watering holes will be affected. Low impact. There is, however, a homestead located to the west of the site near the top of the ridge. This would need to be avoided unless the resident agrees to be relocated at the expense of the developer.
Public acceptance	Poor. A number of people consulted during the Scoping expressed a strong objection to the construction of a hotel at this site. Most of these originated from a feeling that it would impact on the sense of place and tourist's enjoyment of the view.	Public acceptability of this site is likely to be far more positive than for the proposed site. A number of IAPs have suggested that the development be moved further towards the East and the existing developments at Hole-in-the-Wall. The developer and the community, however, in response to the Draft Scoping Report, did express dissatisfaction with the proposed alternative site although no reasons were given for this.
Aspects Relating to the Viability of the Development		
Sea view provided by development	Only the front units will enjoy a commanding view of the Hole. The back units will only have a slight view of the sea, the top of the Hole formation and pinnacle to the east.	All units will have a majestic view of the bays to the north of the Hole. This view may, however, be impacted on by the presence of cottages and the existing hotel establishment which will be visible from the site.
Cost of hotel construction and infrastructure development	There is not likely to be any significant difference in the cost of infrastructure development between the two sites as they are located within roughly two hundred meters of each other.	

9. POTENTIAL IMPACTS

9.1 Introduction

This Chapter serves to identify potential impacts and to assess whether these may be managed to an acceptable degree, or whether further investigation is required to determine the level of significance. The potential impacts have been identified through the review of existing literature, field visits, site visits with specialists and key IAPs and from the Public Participation Process. Impacts of the upgrading of infrastructure such as the provision of bulk water and road upgrades required for the project are not assessed. Most of these are listed activities in their own rights and require separate authorisation. It should be noted however that the project cannot succeed without these infrastructural provisions.

Environmental aspects refer to an element of an activity, product or service that can have a beneficial or adverse impact on the physical, biological or human environment. A number of potential aspects have been identified as being associated with this Project.

Preliminary Impact Assessment

An Impact Assessment whereby each potential impact is assigned a significance rating following a methodical assessment of a number of criteria including intensity, duration, spatial extent and probability, and the potential for the impact to be mitigated, has been undertaken as part of the Environmental Scoping.

The nature of each of the impacts is described in terms of the following criteria: The Significance rating provided is the significance WITH MITIGATION.

Criteria	Categories	Explanation
Overall Nature	Negative	<i>Negative impact on affected biophysical / social environment.</i>
	Positive	<i>Social / Biophysical Benefit</i>
	Primary impact/benefit	<i>Activity has a direct impact on affected environment</i>
	Secondary impact/benefit	<i>Activity has an indirect impact on the affected environment</i>
Spatial Extent	Site	<i>Immediate area of activity</i>
	Local	<i>Area within 10km of the site</i>
	Regional	<i>Entire municipality, drainage basin, landscape etc</i>
	National	<i>South Africa</i>
Duration	Short-term	<i>Less than the construction period</i>
	Medium Term	<i>Construction period</i>
	Long-term	<i>Defined period post construction</i>
	Permanent	<i>Permanent change</i>

Probability	Unlikely
	Possible
	Probable
	Definite

Mitigation Potential

Mitigation potential describes the ability to manage or mitigate an impact given the necessary resources. Some impacts, by their very nature are extremely difficult to mitigate, while others may be managed to an acceptable level with the implementation of a sound environmental management plan. Mitigation potential as presented in the impact tables is described as follows:

Mitigation potential	Description	Example
HIGH:	<ul style="list-style-type: none"> ➤ The impact is relatively easy and cheap to manage. Specialised expertise or equipment is generally not required. ➤ The nature of the impact is understood and may be mitigated through the implementation of a managed plan, with regular monitoring undertaken to ensure that any negative consequences remain within acceptable limits. ➤ The significance of the impact after mitigation is likely to be LOW to Non-Significant. ➤ These impacts are normally mitigated by "good housekeeping". 	Noise Dust Soil contamination from accidental spillages and leakages Litter
MEDIUM:	<ul style="list-style-type: none"> ➤ Management of this impact requires a higher level of expertise and resources in order to maintain within acceptable levels ➤ The significance of the impact after mitigation is likely to be LOW to MEDIUM depending on the level of management applied. ➤ May not be possible to mitigate the impact entirely – may result in a residual impact (e.g. topographical change) 	Visual Impacts Changes to landscape form and functioning Alteration of stream flow patterns Soil Erosion
LOW:	<ul style="list-style-type: none"> ➤ Will not be possible to mitigate this impact entirely regardless of the expertise and resources applied. ➤ The potential to manage the impact may be beyond the scope of the Project ➤ Management of this impact is not likely to result in a measurable change in the level of significance. 	Change of land use

It should be noted that a LOW mitigation potential does not necessarily imply that the impact is highly significant. An impact with a low significance rating may be extremely difficult to mitigate,

such as noise generated from daily servicing of the tourist resort while a highly significant impact may be relatively simple to mitigate with the implementation of the correct management measures.

Concern naturally arises when an impact with a HIGH significance has a LOW Mitigation potential.

9.2 Geology

Activity:	Mass Earthworks
Aspect:	Topographical change
Impact description:	Geology will not be significantly impacted by construction activities. Slopes are relatively mild and no major excavations are required.
Nature of Impact:	Negative; Primary impact; Site only; Permanent; Definite, but low significance.
Mitigation Potential:	Low
Significance:	NON-SIGNIFICANT

9.3 Soils

Activity:	Clearing, Stripping of topsoil, Drainage and storm water management (construction and operation).
Aspect:	Surface disturbance
Impact description:	Stripping of topsoil will occur in the construction phase. The stripping of protective vegetation and exposure of soils to the erosive effects of storm water runoff may lead to sheet wash and the development of erosion channels and dongas. Topsoil may be lost or damaged by not managing stormwater run-off and not taking precautions with regard to the increase in stream flow that will occur after rains. Topsoil is regarded as a valuable resource that should be protected and preserved at all costs. Erosion, should it occur during construction, is likely to be acute as large areas of soil are exposed. The construction and possibly the operation of the resort will impact on the drainage line that runs down the centre of the site. There is considerable potential for soil erosion if this is not carefully managed. The stream runs under the road via a concrete pipe and drops steeply down a rocky watercourse to the wetland below and erosion will result in the removal of soil to this wetland. Vegetation in the wetland may be impacted by smothering.
Nature of Impact:	Negative; Primary impact; Local; Permanent; Possible
Mitigation Potential:	High; A soil management plan may be incorporated into the construction phase. Detailed design of drainage features to include proper erosion protection measures. Minimise areas to be cleared, and delay clearing until necessary. Provide planting plans.
Significance:	LOW with mitigation.
Aspect:	Hazardous waste
Impact description:	The spillage of hazardous materials, such as diesel, oil and bitumen will contaminate soil and affect its viability.
Nature of Impact:	Negative; Site only; Long term; Possible
Mitigation Potential:	High; Develop a hazardous waste management plan and emergency action plan for spillages
Significance:	LOW with mitigation.

9.4 Topography

Activity:	Mass earthworks
Aspect:	Topographical change
Impact description:	The construction of the resort will result in minimal change to the topography of the area. Earthworks may be required for levelling and terracing of the site. The impact will not be significant.
Nature of Impact:	Negative; Primary impact; Site only; Permanent; Definite
Mitigation Potential:	Low
Significance:	NON-SIGNIFICANT

9.5 Surface Water

Activity:	Drainage and storm water management.
Aspect:	Surface transformation
Impact Description:	There will be considerable impact during the construction and possibly the operation phase on the drainage line that runs down the centre of the site. There is high potential for soil erosion. However the drainage line is already impacted through livestock activities and the construction of water holes for livestock. The drainage line and surrounds form a large sponge that absorbs water during rains. Construction of the development will result in much of this sponge being lost. There will be increased surface water runoff with significant erosion potential if stormwater is not managed properly. Because of increased runoff there will be increased supply of water to the wetland at the edge of the coastal forest below the road. Impact on surface water quality to this wetland may arise through contamination of water bodies with pollutants and/or sediments released by construction and operation activities. The potential for ongoing sedimentation of water bodies during operation depends on the degree to which soil erosion is controlled in the long-term.
Nature of Impact:	Negative; Primary; Sub-regional; Long-term; Definite.
Mitigation Potential:	High; May be contained through proper storm water management and erosion control
Significance:	MODERATE – LOW with mitigation.
Aspect:	Releases to surface water
Impact description:	There will be potential for contamination of surface waters during the construction phase by way of paint and cement residues and accidental spillages of hydrocarbons. These could impact the wetland in the forest below the site. Package sanitation plants will release some water. If this reaches wetland below development it could have an impact by raising nutrient levels and causing eutrophication.
Nature of Impact:	Negative; Primary; Sub-regional; Short-term; Possible
Mitigation Potential:	High: May be contained through implementing a sound hazardous and solid waste management plan. Sanitation plant outflows must controlled to remain within the site through the use of irrigation of grounds, vegetable gardens etc.
Significance:	LOW with mitigation.

9.6 Ground Water

Activity:	Handling of hazardous materials
Aspect:	Releases to Groundwater
Impact description:	There should be no significant impacts on groundwater during the construction and operation of the resort. However, groundwater quality may be affected by the spillage of fuels and other hazardous chemicals. French drains are not an option for this development so should not pose a problem. The developer proposes to use a package sewage treatment plant as described in CES document Volume 3 (CES, 2004), although the exact system has not been specified. The Lilliput System, which is mentioned by CES, is apparently approved by DWAF and DEAT National and the effluent may be discharged into surface water bodies.
Nature of Impact:	Negative; Primary impact; Site only; Short term; Possible
Mitigation Potential:	High; May be minimised by the implementation of a sound hazardous waste management plan
Significance:	LOW with mitigation.

9.7 Landscape and Visual Aspects: Construction

Activities:	Vegetation clearance, Mass earthworks
Aspect:	Land Transformation
Impact description:	The construction phase for the project is expected to have the most impact on the landscape and visual character. While the construction of the physical elements of the project will have permanent landscape and visual effects (new buildings), aspects of construction will be short term, such as cleared areas for the construction camps and so on. The significance of the landscape and visual changes will be greatest for those people who reside in the area and have full view of the changes and marginally less so for visitors. The significance of the changes will also be greater because there is a distinct contrast between the project and the existing landscape. The control of the construction footprint and natural contours, and early implementation of planting programmes should help to reduce the significance of short term landscape and visual impacts. Night time impacts from light pollution will depend on the need to provide security lighting at the construction camps and/or to undertake night time construction activities.
Nature of Impact:	Negative; Primary impact; Site to local; Short-term; Definite
Mitigation Potential:	Medium; Visual impacts may be reduced by proper rehabilitation; Considerate design, using the landform can also help integrate the new structures into the environment.
Significance:	MODERATE – HIGH with mitigation

9.8 Landscape and Visual Aspects: Operation

Activities:	New buildings, Operation of project
Impact description:	The temporary physical changes to the landscape and aesthetic quality of the area that occurred during Project construction would be expected to diminish with time and with the maturation of planting programmes. The most important long term landscape and visual impact will be associated with the new buildings. Details of the architectural design were not available at the time of concluding this assessment and therefore the visual impact of the development cannot be accurately assessed. The potential acclimatisation of local people to the altered

Nature of Impact:	landscape is expected to help reduce the significance of any visual impacts. The important of any night time impacts will depend on the level of lighting required for the operation of the resort.
Mitigation Potential:	Negative; Primary impact; Site to Local; Permanent; Definite Medium; Visual impacts may be reduced by proper rehabilitation; Considerate design such as single story buildings and using the landform can also help integrate the new structures into the environment. Additional planting may help to integrate the Project into the landscape.
Significance:	MODERATE with mitigation.

9.9 Vegetation

Activities:	Clearing of vegetation, Stripping
Aspect:	Surface disturbance
Impact description:	Vegetation will be stripped from the site area and construction camp area. The removal of plant cover renders the surface prone to soil erosion and infestation by alien species and possibly bush encroachment. However, the vegetation in the area is already degraded and species diversity is poor. Further degradation is therefore unlikely. There are no protected or endangered species or species with a high cultural or health value. Care should be taken to incorporate the wild date palms in the drainage line into the design of the project. Construction should take place around these plants. Construction activities may increase the risk of veld fires that may impact on vegetation cover and plant succession dynamics. Vegetation may recover through careful management of the site (fencing) and surrounding area after construction. Care should be taken to eradicate alien species during post construction period
Nature of Impact:	Negative; Primary impact; Localised around Site; Short to medium term; Probable
Mitigation Potential:	Low: Vegetation will need to be stripped. The secondary impacts in terms of soil erosion and alien plant invasion may, however, be managed until the cover can be re-established.
Significance:	LOW with mitigation

9.10 Fauna

Activities:	Stripping, Fencing, Presence of construction staff
Aspect:	Land transformation Habitat loss Disturbance
Impact description:	Degradation of animal habitat may occur through the stripping of vegetation. However, the area appears to be very poor in biodiversity and faunal numbers, although rodents may be present in the bush clumps and wild date stands. Livestock constitutes the main fauna. Waterholes in the drainage line will be lost as a result of resort development. Construction noise would result in the temporary displacement of indigenous fauna such as insects and birds. Noise will result during the operation phase from vehicle movement. Resort lighting may have a significant impact during the night.
Nature of Impact:	Primary Impact; Local; Short-term (construction) Long term (operational); Probable
Mitigation Potential:	High. The re-establishment of vegetation cover and protection of plant biodiversity would probably improve animal biodiversity particularly birds. Soil erosion must be controlled through proper storm water management and erosion control.
Significance:	LOW with mitigation.

9.11 Marine and Aquatic Biota:

Activities:	Construction staff, Tourists
Aspect:	Resource Consumption
Impact description:	Resort will provide a market for the sale of living marine resources resulting in greater pressure on resources. Resource collection for the manufacture of curios will increase.
Nature of Impact:	Negative; Secondary; Regional; Long term; Definite
Mitigation Potential:	Low; Compliance capacity likely to remain low.
Significance:	UNKNOWN , probably LOW.

9.12 Land use

Activities:	Land acquisition
Aspect:	Land use and ownership
Impact description:	Ownership of the site has still to be negotiated. The construction and operation of the Project will impact negatively on livestock grazing in the damp drainage line and will prevent access to existing waterholes.
Nature of Impact:	Negative; Primary impact; Localised; Permanent; Definite
Mitigation Potential:	High. Consultation with DLA and with PTO owner and affected communities must be continued through the implementation of the Project. Developers must take note of the existing and proposed legislation and existing land use planning.
Significance:	LOW with mitigation

9.13 Archaeology and Cultural Heritage

Activities:	Change of land ownership, Fencing, Sense of Place
Aspect:	Land use and ownership. New buildings. Sense of Place.
Impact description:	Impact description: Primary impact is on Sense of Place associated with rock formation. During resort operation, activities in workshops and tourist and service vehicular traffic will impact on peace and tranquillity of area and raise dust. High levels of vehicular traffic required to provide appropriate level of service. The significance of the impact on residents will depend largely on the distance from the resort. No other sites of cultural or spiritual importance known. Land will be fenced and on long-term lease to developer.
Nature of Impact:	Negative; Primary Impact; National; Permanent; Definite
Mitigation Potential:	Low
Significance:	MODERATE – HIGH
Activities:	Heritage site proposals
Aspect:	Sense of Place
Impact description:	Construction of resort prevents consideration of the rock formation as a Heritage site
Nature of Impact:	Negative; Primary Impact; National; Permanent; Possible
Mitigation Potential:	Low
Significance:	UNKNOWN

9.14 Community Employee Health and Safety

Activities:	All construction activities, Operation of resort
Aspect:	Noise
Impact description:	Construction impacts, in particular the use of heavy machinery, will impact negatively on operators, staff and nearby residents and communities. The significance of the impact on residents will depend largely on the distance to such communities.
Nature of Impact:	Negative; Primary impact; Local; Short term; Definite
Mitigation Potential:	Low.
Significance:	LOW with mitigation.
Aspect:	Dust
Impact description:	Dust generated by construction activities (trucks, excavations etc) may lead to discomfort among affected communities and impact on their health and well being. Operators in dusty environments are also at risk
Nature of Impact:	Negative; Primary impact; Local; Short term; Definite
Mitigation Potential:	Dust suppression techniques may be used. Operators may be equipped with dust masks
Significance:	LOW with mitigation.
Aspect:	Community and Employee health and safety
Impact description:	Members of the public as well as site staff may be exposed to safety risks as a result of construction activities such as the use of heavy machinery and trucks. Occupation Health and Safety regulations will apply at construction site and members of the public will be excluded from construction site, thereby minimising the risks to human health and safety.
Nature of Impact:	Primary impact; Site only; Short term; Possible
Mitigation Potential:	The implementation of strict health and safety measures on construction site will minimise the likelihood of accidents and injury.
Significance:	LOW with mitigation.

9.15 Social Environment

Activities:	Rezoning, Recruitment of labour, Training
Aspect:	Land use and rezoning
Impact description:	Rezoning and lease of land will lose access to grazing and <i>waterholes</i>
Nature of Impact:	Negative Primary impact; Regional; Permanent; Definite
Mitigation Potential:	Low
Significance:	LOW.
Aspect:	Employment and Training
Impact description:	Employment during construction will have social benefits for the affected communities. Employment and training during operation will have social benefits.
Nature of Impact:	Positive; Secondary; Regional; Probable..
Significance:	MODERATE - HIGH. Social benefits may be enhanced with the implementation of a social upliftment programme
Aspect:	Employment
Impact description:	Social upliftment may only result with the institution of sound employment and training policies and with the implementation of a well-

Nature of Impact:	founded social upliftment programme. The “promise” of jobs may lead to the influx of jobseekers from other areas. Alcoholism, prostitution and HIV/AIDs are all issues of concern where there is an injection of cash into communities and an increase in buying power
Mitigation Potential:	Negative; Secondary; Regional; Medium term; Possible Medium: Social Impacts may be minimised through consultation with affected parties. Negative impacts on a community may be counteracted with the implementation of a social upliftment programme.
Significance:	MODERATE – LOW with mitigation.

9.16 Local and Regional Economy

Activities:	Employment, Training
Aspect:	Employment
Impact description:	Communities, businesses and individuals stand to benefit significantly from construction of the resort, through employment of individuals and the support of local services and suppliers. On-the-job training among locally-sourced labour will increase the skills level available in the communities and improve individuals’ opportunity for finding work post-construction.
Nature of Impact:	Positive; Primary and secondary benefit; Regional; Medium term; Probable/Possible
Significance:	MODERATE – HIGH. Benefits may be enhanced through the employment of locally based labour as far as possible, supporting local goods and services suppliers and through the use of labour intensive construction methods where practical
Aspect:	Employment
Impact description:	Increased markets for subsistence fisher products, curios, cultural goods and services
Nature of Impact:	Positive; Secondary benefit; Regional; Medium term; Possible
Significance:	MODERATE – HIGH. Benefits will be enhanced with good resource management and compliance control but capacity likely to remain low.

9.17 Impacts of Infrastructural Requirements

The development is contingent of the provision of bulk water, electricity and road access. As discussed in Section 4 and in Section 7.5, the provision of these services will require their own environmental impacts assessment and authorisation from DEAET and are not included in the current assessment and application to DEAET. It is, however, acknowledged that the development may not proceed without access to these services and that there will be impacts associated with the provision of such services. These impacts are broadly described below:

9.17.1 Electrical Supply

Electricity is currently supplied to Hole-in-the-Wall hotel and cottages. The provision of a feeder supply line to the development would not involve extensive and lengthy line construction. Potential impacts are likely to be restricted to those of an aesthetic nature with at least one pole extending about the skyline as the line surmounts the ridge. The significance of this impact cannot however be determined as details of the route and structures to be used are unspecified.

9.17.2 Access Road

The development is located adjacent to an existing access road. This will, however, need to be upgraded to accommodate general traffic under all weather conditions. Access into the development will be roughly 500m long. During construction, there will be visual impacts and a high possibility of erosion should heavy rain be experienced. Stormwater runoff from the road will need to be controlled in order to prevent this. The road would need to be properly designed according to Eastern Cape Department of Roads and Public Works Standards (TRH20). The upgrading of roads to Hole-in-the-Wall will have further environmental impacts related to borrowpit establishment and expansions etc.

9.18.3 Bulk Water Supply

The problems related to bulk water supply have been detailed in Section 6.9. Provision of bulk water to Hole-in-the-Wall is the subject of an FST Consulting Engineers investigation, and will necessitate an EIA in its own right. Approval in principle has been granted for the project by DWAF but a detailed design plan will be required. Pipelines will mainly be located alongside existing roads and environmental impacts should be relatively low. It is likely that bulk water will not be supplied in the immediate future and the developers have not indicated how they will provide sufficient water for the development in the interim. Once bulk water is supplied, then a supply pipeline to the development itself would need to be constructed. The impacts of this are likely to be minimal as long as the pipeline is directed along the access roads.

The interim options for water supply are groundwater and rainwater. By all indications the groundwater quality along the coast is likely to be unsuitable for use in the development. A detailed hydrological assessment will be required to investigate this further. The storage of rainwater will require a large number of storage tanks, which will probably have a negative visual impact. The viability of rainwater use would need to be confirmed. Pumping water from the Nzulweni River is a listed activity that will require its own evaluation of river hydrology.

10. DISCUSSION AND CONCLUSIONS

From a socio-economic perspective, the Wild Coast is characterised as an area with under-development, unemployment and impoverished communities with little access to economic opportunities. Tourism is generally recognised as the most likely economic engine to address the need for development, socio-economic growth and poverty alleviation. Increasing tourism means increasing numbers of people, and increasing numbers of people require increased facilities of all descriptions, which in turn implies development is unavoidable if the economic engine is to run at all. However, there is also widespread recognition that the popularity and attraction of the Wild Coast as a tourism destination is due largely to its unspoilt natural environment and natural aesthetic beauty. If this is lost for one or other reason, then the coast loses its appeal as a special destination and becomes simply another KwaZulu-Natal South Coast or Cape South Coast. The major problem for the OR Tambo District Municipality, which incorporates the central and northern sectors of the coast, is to increase tourism and still maintain the wild character of the coast. To this end there is a critical importance for spatial development plans sensitive to the sense of place of the Wild Coast. "Maintaining the Wild Coast as a brand name will only be sustainable in the long term if significant sections of the coast maintain their wild atmosphere. This can only be done if certain areas are clearly identified as limited development areas and strict limitations are developed and enforced" (*Tourism Planning Framework for the O R Tambo District Municipality*).

In an attempt to address the need for suitable planning for the area, the *Wild Coast Tourism Development Policy* guidelines divide the coast into 4 generic spatial zones. They are:

- **First order nodes:** Urban and extensively developed areas of 'seaside resort' nature
- **Second order nodes:** Less developed and peri-urban in nature, focussing on family holiday tourism and recreational facilities. Cottages, cluster complexes and family hotels may be developed
- **Eco-tourism (low impact tourism) zones:** Low impact, environmentally and culturally sensitive development and activity is permitted
- **No Tourism development:** Those areas not delineated as first order nodes, second order nodes or ecotourism zones.

The practice of zoning and nodal development is a powerful planning tool for satisfying the competing objectives of development for tourism and economic growth while at the same time meeting the market expectations of a pristine sense of place. The following extracts from the *Wild Coast Tourism Development Policy* and the *Tourism Planning Framework for the O.R.Tambo District Municipality* strongly reinforce the need to apply this tool to the planning and development of the Wild Coast:

The principle of nodality "attempts to limit development to identified nodes in order to prevent inappropriate and sprawling development along the length of the coast" (*Wild Coast Tourism Development Policy*)

"The concept should not be seen as an attempt to block economic development yet make sure that the key economic driver, tourism, is made sustainable by concentrating the development in nodes, and protecting sufficient opportunities to have the essential "wild" experience that defines the area." (*Tourism Planning Framework for the O R Tambo District Municipality*)

Within this framework the Wild Coast Tourism Development Policy has designated Coffee Bay as a First Order node for the development of resorts and other commercial development, and Hole-in-the-Wall as a Second Order node for development. However, there are currently no official boundaries to these nodes although Wanklin (2003) has defined draft nodes as part of an EU support program to develop sustainable tourism along the Wild Coast (see Figure 10.1).

The site of the current development proposal is clearly within the draft nodal boundaries established for the Hole-in-the-Wall area. Thus from a broad planning perspective the proposal is acceptable. However, it must be noted that integrated development planning ideally requires an area specific spatial development framework, the conceptualisation of the entire Coffee Bay – Hole-in-the-Wall area as a tourist destination and the formulation of carrying capacities for individual areas. This level of planning does not yet exist and against the need for this must be balanced the urgent requirement for activities that will improve the socio-economic situation of communities along the Wild Coast. The no project alternative was assessed in Chapter 8 of this report and on balance the recommendation was made that a development project in the Hole-in-the-Wall area was a better alternative than no project.

In order to strengthen the sustainable development initiatives underway in the Wild Coast region, the “**Wild Coast Conservation and Sustainable Development Project**” has been established to develop a detailed strategy for conservation and sustainable land use management of the Wild Coast at the regional scale that can provide for the protection of the globally important biodiversity of the Wild Coast whilst offering local communities sustainable economic opportunities. The project is a partnership between the Wild Coast SDI (combining several Provincial and National Government Departments), the EU Support Programme, and the GEF, with collaboration of various NGOs and will define spatially explicit conservation areas. In addition, the KSD has put out to tender the development of Spatial Development Framework that will address the issue of development planning in the Coffee Bay and Hole-in-the-Wall areas. These two programs will be completed within 12-18 months, and will hopefully inform and constrain area specific development and land use decisions and align them with municipal Integrated Development Plans. Before these initiatives are completed, it is short-sighted to proceed with developments in sensitive places, because the implications of allowing developments in areas that fall outside currently designated nodes are likely to be serious in terms of the precedent that is set and the effect this might have on future tourism development planning. With strategic development frameworks in place, making decisions about the acceptability or otherwise of development proposals will become easier. We suggest that once an area specific planning framework is in place, the DEAET and the KSD municipality should in future together decide on locations for development and call for tenders. This would eliminate the problem of having to address unsolicited bids for land that is held in public trust and would hopefully speed up the development process. The regulatory authorities need put new systems in place that will eliminate development projects such as the unused car park at Coffee Bay and the unfinished toilet block at Hole-in-the-Wall, which were the result of tender processes 6 years ago.

The impacts of the proposed development on the biophysical, cultural and socio-economic environment of the area were assessed in the course of this report and although there are impacts in each of these fields, most of them can be mitigated to an acceptable degree. Clearly, the development site is not ecologically sensitive. The site itself is poor in both faunal and floral biodiversity, contains no rare and endangered species and shows signs of considerable disturbance. Thus from an ecological point of view, a development on the site is also acceptable. The area is geologically stable and impacts relating to surface and ground water can be managed. It must be noted that soil erosion and the management of surface runoff are potentially sensitive issues and must be strictly managed. From a local community perspective there are no sensitive cultural or archaeological sites in the vicinity of the proposed development. The legend surrounding the Hole-in-the-Wall rock formation is part of the Xhosa mythology but is unlikely to be impacted by the development. The social and economic benefits associated with the development are generally positive. Thus there is essentially no requirement for a full Environmental Impact Assessment of the development proposal. However, here are a number of important issues that need to be taken into account.

One of the major issues raised by IAPs was the impact that the development would have on the “Sense of Place” associated with the Hole-in-the-Wall rock formation. The concept of “Sense of Place” is difficult to address. A sense of place is the most subjective of all the considerations required in determining limits of acceptable change. However, this factor needs to be given considerable weight in this study due to the implications it has with respect to the iconic nature of the Hole-in-the-Wall rock formation as a symbol of the Wild Coast. Given that a development on the currently proposed site will be highly visible from the area most often used to view the rock

formation, the proposed alternative site, which will incorporate the development into the existing village and be wholly invisible from the view site, is a much better option than the currently proposed site. We therefore recommend that the development be sited in the alternative site. However, it should be noted that the developer does not favour the alternative site.

Tourism development requires quality infrastructure. Without improvement in the infrastructure of the Wild Coast area, tourism development will not occur to the extent required to integrate rural communities into meaningful economic activity. With regard to the proposed development there are two major concerns.

- The road access to Hole-in-the-Wall is poor. Since the development has been proposed is an upmarket facility, it is a very strong requirement that the developers insure that their target market can reach their destination in reasonable comfort and without damage to their vehicles. The link road from Hole-in-the-Wall to the main Umtata-Coffee Bay road is often in a poor condition. The road that links Hole-in-the-Wall to Coffee Bay is often in very poor repair and in wet weather it is not negotiable even by four wheel drive vehicles. Since the area has around 1000 mm of rain per annum and this falls largely in the summer months, which coincide with the main tourism season, the accessibility of the area by the target market will be constrained. Unless the developers can obtain a commitment from the district municipality to maintain access roads in good condition, the development will experience lower than desirable occupancy levels.
- Any upmarket development that does not have a satisfactory water supply will fail. Although there are plans to provide a reticulated water supply to the Hole-in-the-Wall village at some stage, there is no current budget for this and implementation of the plan would seem to be several years in the future. Lack of a suitable water supply is a serious shortcoming of the development proposal. It will be difficult to market the development as upmarket, with attendant high rack rates, if water is limited. This in turn affects the financial model that has been used to assess the financial viability of the development proposal.

The EIA consultants have some concerns regarding the financial models generated for the development proposal. Although the EIA consultants do not consider themselves financial specialists, it is nevertheless their duty to ensure that any proposal that is recommended is socially, environmentally and financially sustainable. It has not been possible to discuss these concerns with the financial analysts and they are listed below.

- The rack rates proposed for the development are higher than almost any other tourism venue along the Wild Coast. Mr Clive Berlyn (Chairman of the Wild Coast Hotel Owners Association) has indicated that they may be unrealistically high.
- The rate at which occupancy levels increase after start up is possibly too optimistic (Mr Clive Berlyn).
- Envisaged occupancy levels (60-70%) appear to be based on KZN South Coast hotels, which offer visitors a completely different tourism experience to that of the Wild Coast. While the Ocean View Hotel in Coffee Bay enjoys occupancy rates of around 70%, the other two hotels in the area operate at around 30-40% occupancy. An analysis of Wild Coast hotel occupancies would be in order.
- The amount budgeted for marketing and advertising appears to be low (1.4% of turnover in year 1 declining to less than 1% of turnover within two years). Mr Clive Berlyn and Mr Gary Anderson (Ocean View Hotel) have indicated that very intensive marketing exercises have been required to achieve the current occupancy rates at the Ocean View Hotel.
- Engineering costs for roads (R155 000 per km) appear to be very low. Mr Tony Du Preez (CBM Africa) has indicated that a more reasonable costing for a decent road in the former Transkei would be about R300 000 per km. To re-gravel an existing road about 6 m wide with no cut and fill and minimal drainage is about R200 000/km (BKS Consulting

Engineers) It may be possible to build a road for R155 000 per km but the maintenance costs are likely to be very high

- Construction costs for upmarket accommodation units on the Wild Coast may well exceed the budgeted amounts of R2800 – R3200 per m².

It is imperative that the responsibility for confirming the financial viability of the project is defined. If the development proceeds and it subsequently becomes apparent that it is not financially viable, then either there will be a request to expand the development in order to attain financial viability, or the development becomes degraded and run down and does not fulfil one of its primary functions which is to provide economic benefits to the community.

The failure of this development will not only have social and economic consequences but will result in significant environmental impacts. The approval for this project should, therefore, be conditional on an undertaking by the developer to completely rehabilitate the environment affected by the development should the development fail.

It is clear that the Hole-in-the-Wall community are very much in favour of developments that will bring economic benefits to the area. However, there are a number of issues with regards to the KwaTshezi Trust's involvement in the project. While the trust is a legal entity, there are problems in different communities with regard to the trust. For example, some members of the trust do not attend meetings. Some villages have concerns about their representation on the Trust, and feel they are not properly represented. Not all Trust members are clear about their roles and responsibilities and legal obligations as trust members are. This issue has a serious bearing on the success of the development. The trust must actively participate in the development process, and non-participation or even partial participation by the trust could lead to the failure of the project. In addition, the issue of ownership of the land of the proposed development site has to be resolved and the community dissatisfaction with the director of Coffee Bay and Hole-in-the-Wall (Pty) Ltd. should be noted and resolved.

The current development proposal has as one of its stated objectives the economic upliftment of the community members of the Coffee Bay and Hole-in-the-Wall area, through the vehicle of the KwaTshezi Trust. If the project is financially sound then it will go some way toward alleviating the chronic poverty and un-employment endemic to the area. The concerns surrounding the implementation of the project, particularly with regard to infrastructure, should be noted. From the bio-physical point of view, the development does not have significant negative impacts that can not be mitigated to an acceptable degree. However, a controversial aspect that cannot be really mitigated is its effect on the sense of place that attaches to the Hole-in-the-Wall rock formation and the iconic nature of the rock formation as a symbol of the Wild Coast. The location of the development at the alternative site, where it becomes part of the existing village is therefore strongly recommended.



Figure 10.1 Draft Nodal Boundaries for the Hole-in-the-Wall area.

It should be noted that the boundary perhaps mistakenly includes the area of coastal forest that was part of the old campsite immediately in front of the Hole-in-the-Wall rock formation. The campsite is located within a coastal forest which is considered a sensitive site.

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