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ENVIRONMENTAL SCOPING REPORT PLUS IMPACT ASSESSMENT

**FOR THE DEVELOPMENT AND OPERATION OF A CHARCOAL AND BRIQUETTE PROCESSING,
PACKAGING, AND STORAGE FACILITY IN OUTJO, KUNENE REGION, NAMIBIA**

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EXECUTIVE SUMMARY

This scoping study was undertaken for the proposed development and operation of a charcoal and briquette processing, packaging, and storage facility in Outjo, Kunene Region, Namibia. This scoping study has been undertaken in accordance with the requirements of the Environmental Management Act (EMA), No.7 of 2007 and the Environmental Impact Assessment Regulation, No. 30 of 2012, gazetted under the Environmental Management Act, No. 7 of 2007.

Nexus Charcoal (Pty) Ltd intends to set up a charcoal and briquette processing facility, that will include sorting and packaging facilities. At the start of the assessment process, construction of the warehouse, ablution block, water reticulation and a sewer reticulation system has started. The proponent intends to acquire bulk charcoal from farms within a 150 km radius from its site. All of the sorting, processing, briquette production and filling and loading of charcoal and briquette bags will take place on the proposed site.

Through the scoping process, it was found that the only significant impacts that may occur during the construction and operational phases of the project are impacts from noise and dust on the environment and employee health and safety, as well as potential hydrocarbon spills or leakages which is a concern due to the relief of the site and potential to affect a nearby sensitive receptor (river) and the groundwater quality of the area. Thus, the handling of fuel, Dust and noise generation will need to be carefully monitored and managed according to the EMP.

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DEFINITIONS AND ABBREVIATIONS

ABBREVIATIONS	DESCRIPTION
DEA	Directorate of Environmental Affairs
ECC	Environmental Compliance Consultancy
ECC	Environmental Clearance Certificate
ECP	Environmental Contingency Plan
EIA	Environmental Impact Assessment
EMA	Environmental Management Act
EMP	Environmental Management Plan
ESIA	Environmental Social Impact Assessment
I&APs	Interested and Affected Parties
IFC	International Finance Cooperation
MEFT	Ministry of Environment, Forestry and Tourism
OSHA	Occupational Safety and Health Administration
WHO	World Health Organisation

1 INTRODUCTION

1.1 PURPOSE OF THIS REPORT

The purpose of the project is to obtain an environmental clearance certificate for the development and operation of a charcoal and briquette processing, packaging, and storage facility in Outjo, Kunene Region, Namibia (Figure 1).

Environmental Compliance Consultancy (ECC) has been engaged by the proponent Nexus Charcoal (Pty) Ltd to undertake an environmental assessment process and develop a scoping report and an Environmental Management Plan (EMP) in terms of the Environmental Management Act, No. of 7 of 2007 and its regulations. An environmental clearance application will be submitted to the relevant competent authority: The Ministry of Environment, Forestry, and Tourism (MEFT).

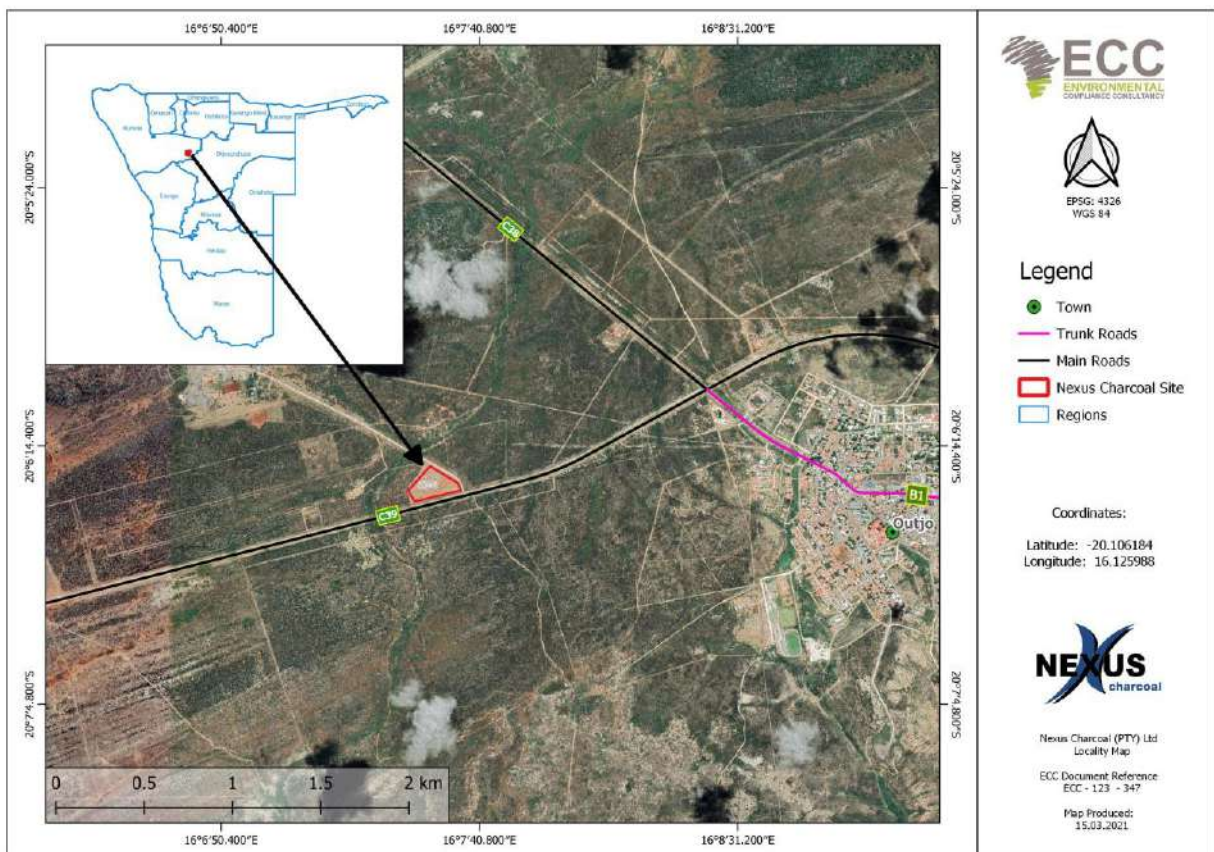


FIGURE 1 - LOCALITY OF THE PROJECT SITE

Nexus Charcoal (Pty) Ltd (hereinafter the proponent or Nexus Charcoal) intends to set up a charcoal and briquette processing facility, that will include sorting and packaging facilities.

All of the sorting, processing, briquette production and filling and loading of charcoal and briquette bags will take place on the proposed site. Bulk charcoal will be offloaded at the site and the finished product (already packed in bags) will also be loaded onto trucks on site. An onsite storage facility will be constructed, to store the final product, until they are loaded in containers on-site and transported to the Walvis Bay harbour where the products will be shipped to international destinations.

1.2 SCOPE OF WORK

This scoping report has been prepared by Environmental Compliance Consultancy (ECC) to define and characterise the receiving baseline environment, to identify potential Impacts and assess potential effects, whether positive or negative and their relative significance, explore alternatives for technical recommendations and identify appropriate mitigation measures.

The scoping report will provide information to the public and stakeholders to aid in the decision-making process for the proposed project. The objectives are to:

- Describe the proposed activity and the site on which the activity is to be undertaken;
- Describe the baseline environment that may be affected by the proposed activity;
- Identify the laws and guidelines that have been considered in the assessment and preparation of this report;
- Provide details of the public consultation process;
- Describe the need and desirability of the proposed activity; and
- Provide a high-level analysis of feasible or unfeasible alternatives that were considered; and
- Provide an assessment of potential impacts identified.

The Ministry of Environment, Forestry and Tourism (MEFT) as the competent authority that deals with applications for environmental clearance has determined that an Environmental Management Plan (EMP) be developed to provide a management framework for the planning and implementation of the development. The EMP provides development standards and arrangements to ensure that the potential environmental and social impacts are mitigated, prevented, minimised and/or enhanced as far as reasonably practicable and that statutory requirements and other legal obligations are fulfilled.

1.3 THE PROPONENT OF THE PROPOSED PROJECT

The details of the proponent are set out in Table 1 below.

TABLE 1 - PROPONENTS DETAILS

CONTACT	POSTAL ADDRESS	EMAIL ADDRESS	TELEPHONE
Nexus Charcoal (Pty) Ltd Mr Rian Smit	P.O. Box 150 Outjo Namibia	rian@nexusgroup.com.na	081 8686003 / 067 313770

1.4 ENVIRONMENTAL CONSULTANCY

ECC, a Namibian consultancy (registration number Close Corporation 2013/11401), has prepared this scoping report on behalf of the proponent. ECC operates exclusively in the environmental, social, health and safety fields for clients across Southern Africa, in both the public and private sectors.

ECC is independent of the proponent and has no vested or financial interest in the proposed project, except for fair remuneration for professional services rendered.

All compliance and regulatory requirements regarding this report should be forwarded by email or posted to the following address:

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2 APPROACH TO THE IMPACT ASSESSMENT

2.1 PURPOSE AND SCOPE

This scoping exercise aims to determine which impacts are likely to occur and which are unlikely, if any, to be significant or otherwise, scope the available data and any gaps which need to be filled; determine the spatial and temporal scope, and identify and evaluate the potential effects of the proposed project.

This scoping study was undertaken by the ESIA team by undertaking a preliminary assessment of the proposed project against the receiving environment obtained through a desk-top review and available site-specific literature.

2.1.1 ENVIRONMENTAL AND SOCIAL IMPACT ASSESSMENT

The Environmental Management Act, No. 7 of 2007 stipulates that an environmental clearance certificate is required to undertake Listed Activities under the act, and associated regulations. Listed activities triggered by the proposed project in accordance with the Environmental Management Act, No. 7 of 2007 and regulations are listed in Table 2.

The proposed development potentially triggers the following listed activities in terms of the Environmental Management Act, No 7 of 2007:

TABLE 2 - LISTED ACTIVITIES AND RELEVANCE TO THE PROPOSED DEVELOPMENT

LISTED ACTIVITY	ESIA SCREENING FINDING
<p>ENERGY GENERATION, TRANSMISSION AND STORAGE ACTIVITIES</p> <p>1. The construction of facilities for – (b). The transmission and supply of electricity.</p>	<ul style="list-style-type: none"> - Cenored powerlines will be extended to the site and will provide the project with electricity. - A 315kVA generator will be installed on-site.
<p>WASTE MANAGEMENT, TREATMENT, HANDLING AND DISPOSAL ACTIVITIES</p> <p>2.2 Any activity entailing a scheduled process referred to in the Atmospheric Pollution Prevention Ordinance, 1976.</p>	<ul style="list-style-type: none"> - The project will generate dust due to ongoing construction activities and the eventual processing and handling of charcoal and briquettes.

LISTED ACTIVITY	ESIA SCREENING FINDING
<p>FORESTRY ACTIVITIES</p> <p>4. The clearance of forest areas, deforestation, afforestation, timber harvesting or any other related activity that requires authorisation in term of the Forest Act, 2001 (Act No. 12 of 2001).</p>	<ul style="list-style-type: none"> - The site is already disturbed. Vegetation removal was done before the commencement of the EISA process.
<p>WATER RESOURCE DEVELOPMENTS</p> <p>8.6 Construction of industrial and domestic wastewater treatment plants and related pipeline systems.</p>	<ul style="list-style-type: none"> - A Septic tank system will be installed on-site.
<p>HAZARDOUS SUBSTANCES TREATMENT, HANDLING, AND STORAGE</p> <p>9.1. The manufacturing, storage, handling, or processing of a hazardous substance defined in the Hazardous Substance Ordinance, 1974.</p>	<ul style="list-style-type: none"> - A 2000l diesel tank may potentially be installed on-site.

2.2 BASELINE STUDIES

The baseline environment is identified during the scoping phase and specific aspects of the natural and social environments that should be assessed are included in the list hereunder. All pertinent information collected from the current status of the receiving environment will provide a baseline against which changes that occur as a result of the proposed project can be measured and assessed.

BIOPHYSICAL ENVIRONMENT

- Dust Air emissions;
- Noise;
- Soil integrity;
- Groundwater and
- Surface Water

SOCIAL ENVIRONMENT

- Employees Health and Safety
- Employment creation for locals with the availability of approximately 126 jobs;

- Limited goods and services procurement within the local economy; and
- Downstream spending by locals within the region.

2.3 ESIA CONSULTATION WITH INTERESTED & AFFECTED PARTIES

Public participation and consultation are requirements in terms of Section 21 of the Environmental Management Act, No. 7 of 2007 and its regulations for a project that requires an environmental clearance certificate. Consultation is a compulsory and critical component in the ESIA process, aimed at achieving transparent decision-making, and can provide many benefits.

The objectives of the stakeholder engagement process are to:

- Provide information on the project to I&APs: introduce the overall concept and plan;
- Clarify responsibility and regulating authorities;
- Listen to and understand community issues, concerns and questions;
- Explain the process of the ESIA and timeframes involved; and
- Establish a platform for ongoing consultation.

Consultation for this project requires engagement with the relevant national (line ministries), regional and local authorities, and local communities.

- These are identified as Kunene Regional Council;
- Outjo Town Council and
- All registered (Interested and Affected Parties) I&APs.

There were no I&APs that registered through invitations such as newspaper advertisements and site notices.

2.3.1 SITE NOTICES

A site notice ensures neighbouring properties and stakeholders are made aware of the proposed project. The notice was set up at the boundary of the proposed site as illustrated in Appendix C.

2.3.2 NEWSPAPER ADVERTISEMENTS

Notices regarding the proposed project and associated activities were circulated in three newspapers namely the 'Republikein', 'Allgemeine Zeitung' and the 'Sun' on the 28th of April

and 5th of May 2021. The purpose of this was to commence the consultation process and enable I&APs to register an interest in the project. The adverts can be found in Appendix C.

2.3.3 PUBLIC MEETING

In terms of Section 22 of the Environmental Management Act, No. 7 of 2007 and its regulations, to register I&APs, a public meeting is not a mandatory requirement under the Act, but a voluntary step should there be significant demand for it from the I&AP's. No I&APs registered for the project, thus no public meeting was necessary for this project.

2.3.4 CONSULTATION FEEDBACK

The I&APs are encouraged to provide constructive input during the consultation period. The public review period of the scoping report and the EMP will be set for a period not less than seven days as per the Regulations of the Act, to provide the public with an opportunity to send any comments on the draft reports to be included and addressed, where applicable, in the final documentation. No feedback have been received by I&APs.

2.4 FINAL SCOPING REPORT AND EMP

The final Scoping report and associated appendices will be available to all stakeholders on the ECC website www.eccenvironmental.com and will be published on the MEFT website for public access.

The ESIA report and appendices will be formally submitted to the Office of the Environmental Commissioner, DEA as part of the application for an environmental clearance certificate for the project.

2.5 AUTHORITY ASSESSMENT AND DECISION MAKING

The Environmental Commissioner in consultation with other relevant competent authorities will assess the findings of the scoping study. Upon review, the Environmental Commissioner will revert to the proponent with a record of decision.

2.6 MONITORING AND AUDITING

In addition to the EMP being implemented by the proponent, a monitoring strategy and audit procedure will be determined by the proponent and competent authority. This will ensure key environmental receptors are monitored over time to establish any significant changes from the baseline environmental conditions caused by project activities.

3 REVIEW OF THE LEGAL ENVIRONMENT

This chapter outlines the likely regulatory framework applicable to the proposed project.

3.1 NATIONAL LEGISLATION AND RELEVANT INTERNATIONAL PERFORMANCE STANDARD(S)

TABLE 3 - LEGAL COMPLIANCE

NATIONAL REGULATORY REGIME	RELEVANCE TO THE PROJECT
Constitution of the Republic of Namibia of 1990	Social protection
Atmospheric Pollution Prevention Ordinance 11 of 1976	Social and Biophysical landscape protection
Environmental Management Act, No. 7 of 2007 and its regulations, including the Environmental Impact Assessment Regulations, No. 30 of 2012	The environmental assessment process and public engagement
Soil Conservation Act, No. 76 of 1969 and the Soil Conservation Amendment Act, No. 38 of 1971	Biophysical protection
Water Act, No. 54 of 1956	Water source protection
Labour Act, No. 11 of 2007	Social protection
Draft Pollution Control; and Waste Management Bill (1999)	Biophysical landscape protection
Vision 2030	Project objectives
Hazardous Substances Ordinance Ordinance No. 14 of 1974	Biophysical landscape protection
IFC STANDARDS	POSSIBLE RELEVANCE
Performance Standard 1	Assessment and Management of Environmental and Social Risks and Impacts
Performance Standard 4	Community Health, Safety, and Security

TABLE 4 - PROJECT-RELATED PERMIT REQUIREMENTS

PERMIT AND LICENCES	RELEVANT AUTHORITY	PROJECT BEARING	VALIDITY/DURATION
WATER ABSTRACTION PERMITS	Ministry of Agriculture, Water and Land Reform	An abstraction permit is required for the abstraction of water from a borehole for commercial purposes.	Valid for five years.
FOREST PERMIT FOR TRANSPORTING	Ministry of Environment, Forestry and Tourism	A Transport Permit is required to convey any wood or wood products (i.e., charcoal, and firewood). It is obtainable from any Forestry Office.	Valid for 7 days
FOREST PERMIT FOR MARKETING	Ministry of Environment, Forestry and Tourism	A permit for marketing of forest produce is required as set out on Form 17 of section 21 of the forest regulations (12) of the Forest Act of 2001	Permit dependent

4 PROJECT DESCRIPTION

4.1 BACKGROUND OF THE PROJECT

The project site is located on erf 1113 in the Western industrial area (heavy industrial area) to the west of the town of Outjo, in the Kunene Region and can be accessed via the C39 main road on route to Khorixas. The site location is shown in Figure 1.

The proponent intends to set up a charcoal processing and briquette processing facility, that will include sorting and packaging facilities. At the start of the assessment process, construction of the warehouse, ablution block, water reticulation and a sewer reticulation system were already being constructed. Nexus Charcoal intends to purchase bulk charcoal from farms within a 150 km radius from the site. The charcoal will be sieved, sorted and packed in bags on site. On-site a briquette production facility will also be constructed, wherein charcoal fines (1mm-20mm in size) will be crushed, mixed and pressed into briquettes. Greenhouse tunnels will also be constructed within which briquettes will be dried until they are ready to be packed on site.

The proponent intends to use Floscan Technology (charcoal and briquette processing equipment), within its processing and sorting facilities.

Infrastructure that will be constructed for the proposed project will include the following:

- Administration office,
- Packaging and storage area,
- Charcoal processing area,
- Raw material bulk storage area,
- Waste storage and management area,
- Water storage tanks,
- Warehouse,
- Ablution block and
- A septic tank.

Nexus Charcoal will source their water from an existing borehole on site; The source of electricity for the site would potentially be obtained from Cenored powerlines, which will be extended onto the site and a 315kVA generator will be installed on the site as well. The proponent also plans to install a 2000L Diesel tank for fuel storage (mainly for the forklifts on-site).

4.2 NEED FOR THE PROPOSED PROJECT

Charcoal production in Namibia presents strategies to combat bush encroachment, supplement farming income, and contribute to local employment creation. There are several bush thinning operations in this area, thus this project could contribute to the charcoal export market of Namibia. This project is also expected to create approximately 80 jobs during the construction phase and 126 jobs during its operational phase.

4.3 THE PRODUCTION PROCESS

Several types of biomass (i.e., encroacher bush from the surrounding charcoal production farms) produce charcoal fines that have to be agglomerated, either before or after the carbonization process. Commercially sold charcoal briquettes are typically made from a binder and filler. The charcoal is crushed finely and passed through a variety of screens to ensure the particle size is small enough. A binder, typically starch, is added to the fines, as well as water. Starch is preferred over other alternatives (wax and wood pitch) because of its economical price and availability (Demirbas et al., 2016).

The briquetting of charcoal improves and provides more efficient use of biomass-based energy resources such as wood and agricultural wastes (Demirbas et al., 2016).

Charcoal comprises 75% of the briquette mixture, while water and starch comprise 20 and 5%, respectively (Demirbas et al., 2016). The press for briquetting must be well designed, strongly built, and capable of agglomerating the mixture of charcoal and binder sufficiently for it to be handled through the drying process.

The manufacturing of briquettes on the proposed site is an integral part of the charcoal-producing facility and not an independent operation. Briquettes are processed biomass fuels that can be burned as an alternative to wood or charcoal for heat energy (Demirbas et al., 2016).

4.4 ALTERNATIVES CONSIDERED

Best practice environmental assessment methodology calls for consideration and assessment of alternatives to the project. In terms of the Environmental Management Act, No. 7 of 2007 and its regulations, alternatives considered should be analysed. This requirement ensures that during the design evolution and decision-making process, potential environmental impacts, costs, and technical feasibility have been considered, which leads to the best option(s) being identified.

The proponent considered property in the industrial area close to Outjo but decided against this site because of its proximity to the town. Thus, they chose the current proposed site in

the heavy industrial area which is approximately 2.6 km outside of Outjo along the C39 main road (in the direction of Khorixas). The current site was chosen due to being a more suitable technical and operational alternative for the project.

4.5 PROPOSED INFRASTRUCTURE LAYOUT ON SITE

The entrance to the site is from the southeast perimeter of the Erf and leads directly to the parking area, where the administration office is planned to be constructed. Slightly to the northwest of the offices, a bulk charcoal storage area is planned to be constructed. In the centre of the site a bulk wood storage area, a future retort facility (future expansion), phase 1 of the processing facility, phase 2 of the processing facility (future expansion), container storage area and briquette drying area is planned for construction. Around the centre proposed building a broad road will also be constructed where trucks will be able to load or offload both raw material and finished products. To the left of phase 1 and 2 processing areas (opposite of the road), bulk water storage tanks will be constructed. To the north-north-western part of the site a large triangular waste storage area is proposed for construction (Figure 2).

4.6 PROPOSED CONSTRUCTION METHODOLOGY

4.6.1 PLANNING

The proponent should ensure that all required permits from the various ministries, local authorities and any other bodies that govern the operations and transportation activities are obtained and remain valid throughout project execution. Ensure all appointed contractors and employees enter into an agreement, which includes the need to adhere to the stipulations within the EMP. Construction work will be entirely conducted by a contracted engineering, procurement, and construction (EPC) company.



FIGURE 2: SITE LAYOUT PLAN FOR NEXUS CHARCOAL.

5 KEY ISSUES ADDRESSED BY THE SCOPING REPORT

5.1 SOCIO-ECONOMIC

The potential social impacts are anticipated to be of low significance, and those that may transpire shall be confined within the local area: these potential impacts may include the following:

- Potential economic benefits due to increased foreign currency inflow, and
- Approximately 80 jobs will be created during the construction phase because of the project.
- Approximately 126 jobs will be created during the operational phase because of the project.

5.2 ENVIRONMENTAL

The potential environmental impacts are anticipated to be of minor significance, and those that may occur shall be contained within the site, these potential impacts may include the following:

- Generation of noise due to the handling and processing of charcoal during operations, and
- Generation of dust due to the handling and processing of charcoal fines (dust control system will be installed).
- Increase in sewage waste generated from the increase in employee numbers on-site (Nexus Charcoal will be installing a sewerage tank with a capacity of 12m³. The Outjo Municipality will be responsible for the cleaning of the sewerage tanks every week, or more frequently if needed – Appendix D).
- Land clearing of the area for site infrastructure

5.3 POTENTIAL INCREASE IN TRAFFIC

The potential impacts likely to occur from the addition of heavy vehicles on the existing baseline environment may include:

- Noise nuisance to sensitive receptors close to the proposed site due to an increased number of trucks that will be offloading raw materials (Bulk Charcoal) or loading finished (Packed Charcoal Bags) products.

5.4 BASELINE ENVIRONMENT

5.4.1 CLIMATE

Outjo is situated in the northern part of Namibia (Figure 1), which is about 1280m above sea level. The climate here is considered to be a local steppe climate. The average temperature of the town is 22.3°C and the average rainfall is about 513 mm per year (en.climate-data.org, 2021). A good overview of the yearly climate can be seen in Figure 3. The average wind direction of Outjo is also presented in Figure 4.

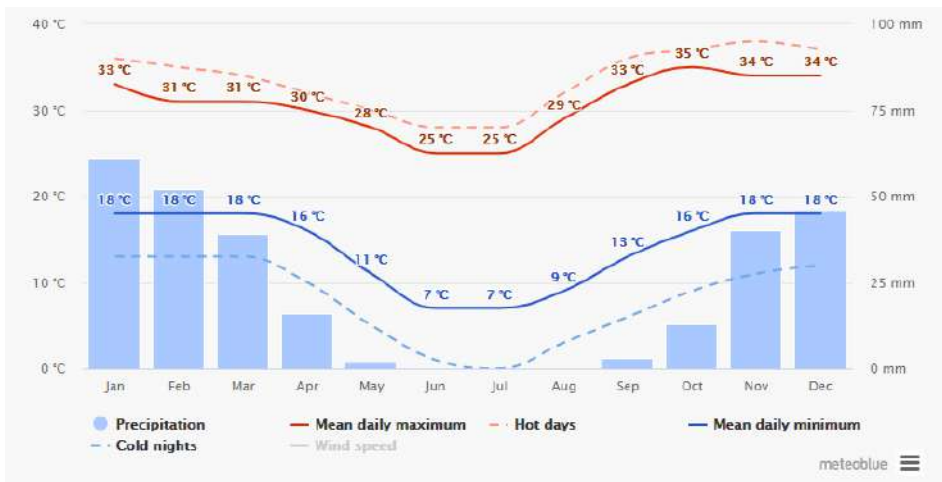


FIGURE 3: YEARLY CLIMATE OVERVIEW OF OUTJO (METEOBLUE, 2021).



FIGURE 4: AVERAGE WIND SPEED AND WIND DIRECTION OF OUTJO (METEOBLUE, 2021).

5.4.2 SOIL AND GEOLOGY

Namibia can be divided into two broad geological provinces, one covering the western parts and the other in the east. The western parts consist of a variety of geological formations of different ages and compositions and formed under very diverse environmental conditions – some were formed in the depths of primaeval oceans, others as a result of the movement of the earth’s crust or because of collisions or volcanic eruptions. Most of these formations are exposed in the west as rugged landscapes of mountains, hills, valleys and plains with sparse vegetation, providing an interesting insight into Namibia’s geological past. In eastern Namibia, the formations are covered with deposits of a much more recent past (Mendelsohn et al., 2002). The deposits are loose, aeolian of origin, sandy and unconsolidated. On the surface the east of Namibia appears monotonous and uniform, covered with dense vegetation in the north and decreasing to the south. Most of the knowledge about these sediments has been derived from water abstraction boreholes, and rare outcrops and underlying formations exposed along drainage lines and around isolated pans.

The geology in Outjo, where the proposed site is situated falls on the Swakop group, which consist of schist and dolomite rock types. The Swakop Group is part of the Damara Supergroup and Gariiep Complex (Mendelsohn et al., 2002). The soil group of this area is the Calcisols and the dominant soil type petric Calcisols, which represents soils with a solid layer at a shallow depth that remains hard even when it is wet (Mendelsohn et al., 2002).

5.4.3 AIR QUALITY

Charcoal processing activities are associated with charcoal dust exposure, which may increase the risk of workers developing adverse respiratory outcomes. A study by Hamatui et al., (2016), evaluated charcoal dust exposure in Namibia at 6 different charcoal factories, evaluating 307 charcoal workers. The study found an increased risk for adverse respiratory outcomes (symptoms as well as to a lesser extent lung function) among workers with higher dust level exposure, these expose limits also exceeded the US OSHA recommended limit of 3.5 mg/m³ for carbon-black-containing dust types. The Packing and weighing areas “showed the highest dust exposure levels (median 27.7 mg/m³, range: 0.2–33.0), followed by sieving (17.9 mg/m³, range: 15.1–27.7)” (Hamatui et al., 2016).

5.5 SOCIO-ECONOMIC ENVIRONMENT

The Kunene Region is located in the northern half of the country, bordering the Omusati - northeast, Oshana - northeast, Oshikoto - northeast, Otjozondjupa - east and the Erongo region - south. In the west, the region stretches along the Atlantic Ocean coastline. The Kunene region covers an area of 115,293km² of the total Namibian land and is the second-

largest region after the Kharas region (Kunene Regional Council). Kunene comprises six political constituencies: (from north to south and then east) Epupa, Opuwo, Sesfontein, Khorixas, Kamanjab and Outjo. The region has one municipality (Outjo), two towns (Khorixas and Opuwo) and one village (Kamanjab).

Namibia is one of the least densely populated countries in the world (2.8 people per km²). Vast areas of Namibia are without people, in contrast to some fairly dense concentrations, such as the central-north and along the Kavango River. The Kunene Region has the least amount of people per square kilometre and is home to the nomadic Himba ethnic group.

The national population growth rate is estimated at less than 2%, lower than most African countries. Namibia's population is young - although 57% falls in the age group 15 – 59, 37% of the total population is younger than 15 (NSA, 2017). Since 2005 there has been a steady improvement in life expectancy, currently estimated at 65 years. In 2018 it was estimated that 50% of all Namibians are urbanized, in other words living in an urban settlement (retrieved from www.worldpopulationreview.com). The last national census was conducted in 2011 and counted 2.1 million Namibians. An intercensal demographic survey was conducted in 2016 and estimated the total population at 2.3 million (NSA, 2017).

The population density of the Kunene Region, where the project is located, is low (0.8 persons per km²) when compared to the national average and the current total population of the region was estimated at 97 865 in 2016 (NSA, 2017). Opuwo is the biggest town in the region, recording 27 272 residents in 2011 growing at an average of 2.7 % per annum. In 2011 the population within Outjo was counted at 12 400 people.

5.5.1 GOVERNANCE

Namibia is divided into 14 regions, subdivided by 121 constituencies. The Kunene Region is divided into six constituencies. Each region has a regional council, elected during regional elections per constituency. Towns are governed through local authorities, in the form of town or village councils. The Namibian constitution provides for the establishment of Local authorities by-laws under the Municipal Ordinance, 1963 (Ordinance 13 of 1963) and the Local Authorities Act, No. 23 of 1992. As such the Local Authorities have the power to pass by-laws for the effective administration of their Municipalities and Communities. Opuwo is the capital and also the largest town of the Kunene Region. Many of the region's head offices are located in the town. Other towns of the region are Outjo, Fransfontein, Khorixas, Sesfontein, and Okanguati.

5.5.2 EMPLOYMENT

Kunene's labour force participation rate was 67.1%, compared to the average of 71.2% for Namibia. At a constituency level, the labour force participation rate was highest in Kamanjab (77.6%) and lowest in Epupa (60.6%). Skilled agriculture/fishery is the economic sector with the most employees – about 46.5%, while 12% of those employed fell in the service workers occupational group. Wages and salaries represented the income source of 41.0% of households (NSA, 2018). As a whole, the region was marked by low education levels, which affected employability and prevented many households to earn a decent income. More than 60% of the population is over 15 years of age and about one-third of the total population can be regarded as part of the labour force.

The unemployment rates in Namibia, particularly among the youth are high. According to the NSA (2018), the unemployment rate of the Kunene region was 41.6%, while the unemployment rate for people between 15 and 34 years of age was 53% in 2018, slightly higher than the national average of 46.1% (NSA, 2018). In 2018, 53.4% of all working Namibians were employed in the private sector and 21.5% by the state. State-owned enterprises employ 7.6% Namibians and private individuals 16.6%. Wages and salaries represented the main income source of 47.4% of households in Namibia. Agriculture (combined with forestry and fishing) is the economic sector with the most employees – 23% of all employed persons in Namibia work in this sector. Agriculture is also the sector that employs the most informal workers in Namibia, calculated at 87.6%. Wages of employees in the agriculture sector are lower than all other sectors except for workers in accommodation and food services and domestic work in private households (NSA, 2019).

Low education levels affect employability and prevent many households to earn a decent income. Of all people employed in Namibia, 63.5% are not higher qualified than junior secondary level (Grade 10 and lower). In total 11.8% of all people employed had no formal education. In total 29.1% of all people employed fall in the category “elementary occupation” and 15.2% in the category “skilled agriculture” (NSA, 2019).

Overall, the rate of unemployment is estimated at 33.4% for Namibia, using the broad definition of unemployment. More than 60% of the population is over 15 years of age and about one-third of the total population can be regarded as part of the labour force. The unemployment rate in rural and urban areas is almost the same – 33.4% in urban areas and 33.5% in rural areas. The highest unemployment rates are found amongst persons with education levels lower than junior secondary. The unemployment rate of persons with no formal education is 28.6%, with primary education 34.6% and with junior secondary education 32.7% (NSA, 2019).

5.5.3 ECONOMY

The economy of the Kunene Region is predominantly agriculture-based. Extensive livestock farming forms the livelihood of many people and is one of the reasons for the low-intensity land use over much of the region, the total low population of (97 865 in 2016) as well as the low population density (about 0.8 persons per km²). Large parts of the region are covered by commercial and communal farms, mainly for cattle ranching. Guest farms and hunting farms are also common. On both commercial and communal land, bush encroachment decreased the carrying capacity of the farms markedly over the last four decades. The invader bush is managed in several ways, one of which is the production of charcoal for export.

Since 2016, Namibia has recorded slow economic growth, registering an estimated growth of only 1.1% in 2016. The primary and secondary industries contracted by 2.0 and 7.8% respectively. During 2017 the economy contracted by 1.7, 0.7 and 1.9% in the first, second and third quarters respectively (NSA, 2019). Despite the more positive expectations, the economy retracted to average growth of not more than 1% annually since 2017.

5.5.4 HEALTH

Since independence in 1990, the health status of Namibia has increased steadily with a remarkable improvement in access to primary health facilities and medical infrastructure. Despite the progress, the World Health Organization (WHO) in 2015 recommended strategic priorities for the health system in Namibia which include improved governance, an improved health information system, emergency preparedness, risk reduction and response, preventative health care and the combating of HIV/AIDS and TB (WHO, 2016).

HIV/AIDS remains a major reason for low life expectancy and is one of the leading causes of death in Namibia. There is a high HIV prevalence among the whole population, but since the peak in 2002 (15,000 new cases of HIV per year, and 10,000 yearly deaths due to AIDS) the epidemic started to stabilise. Although new infections, as well as fatalities, halved during the next decade, life expectancy for females returned to pre-independence levels but for males, it did not reach pre-independence levels yet. HIV/AIDS remains the leading cause of death and premature mortality for all ages, killing up to half of all males and females aged 40 - 44 years in 2013 (IHME, 2016).

Tuberculosis (TB) is a leading killer of people infected by HIV/AIDS, and Namibia has a high burden – in 2018, 35% of people notified with TB were infected with HIV. The country is included among the top 30 high-burden TB countries in the world, with an estimated incidence rate of 423 per 100,000 people and 60 fatalities per 100,000 people in 2018 (retrieved from www.mhss.gov.na).

As of the beginning of 2020 the coronavirus disease (COVID-19), a communicable respiratory disease, has caused illness in humans at a pandemic scale and has resulted in an increasing number of deaths worldwide. The viral outbreak is adversely affecting various socio-economic activities globally, and with reports of the increasing number of people testing positive, it is anticipated that this may have significant impacts on the operations of various economic sectors in Namibia too. The disease caused many countries to enter a state of emergency and lockdown mode, with dire economic consequences.

6 EVALUATION OF IDENTIFIED IMPACTS

6.1 THE ASSESSMENT PROCESS

The evaluation of the significance of the impacts will be determined using ECCs methodology (Figure 3) for environmental impact assessments is adopted and based on models for environmental and social impact assessments set out by the International Finance Corporation (IFC) Performance Standard 1 'Assessment and management of environmental and social risks and impacts. Furthermore, the impact assessment should be undertaken following Namibian legal requirements.

An impact assessment is a formal process in which the potential effects of the project on the biophysical, social, and economic environments are identified, assessed, and reported so that the significance of potential impacts can be taken into account when considering whether to grant approval, consent or support for the proposed project. The process to be followed through the basic assessment is illustrated in figure 4.

The recognised methodology will be applied to determine the magnitude of impacts and whether the impact was considered significant and thus warrant further investigation. The assessment considers all stages of the project's life cycle that is scoped into the assessment. It is an iterative process that commences at project inception and runs through to the final design and project implementation (operations). The impact prediction and evaluation stages were undertaken in May 2021 and the findings of the assessment will be presented in this Scoping and Impact Assessment report.

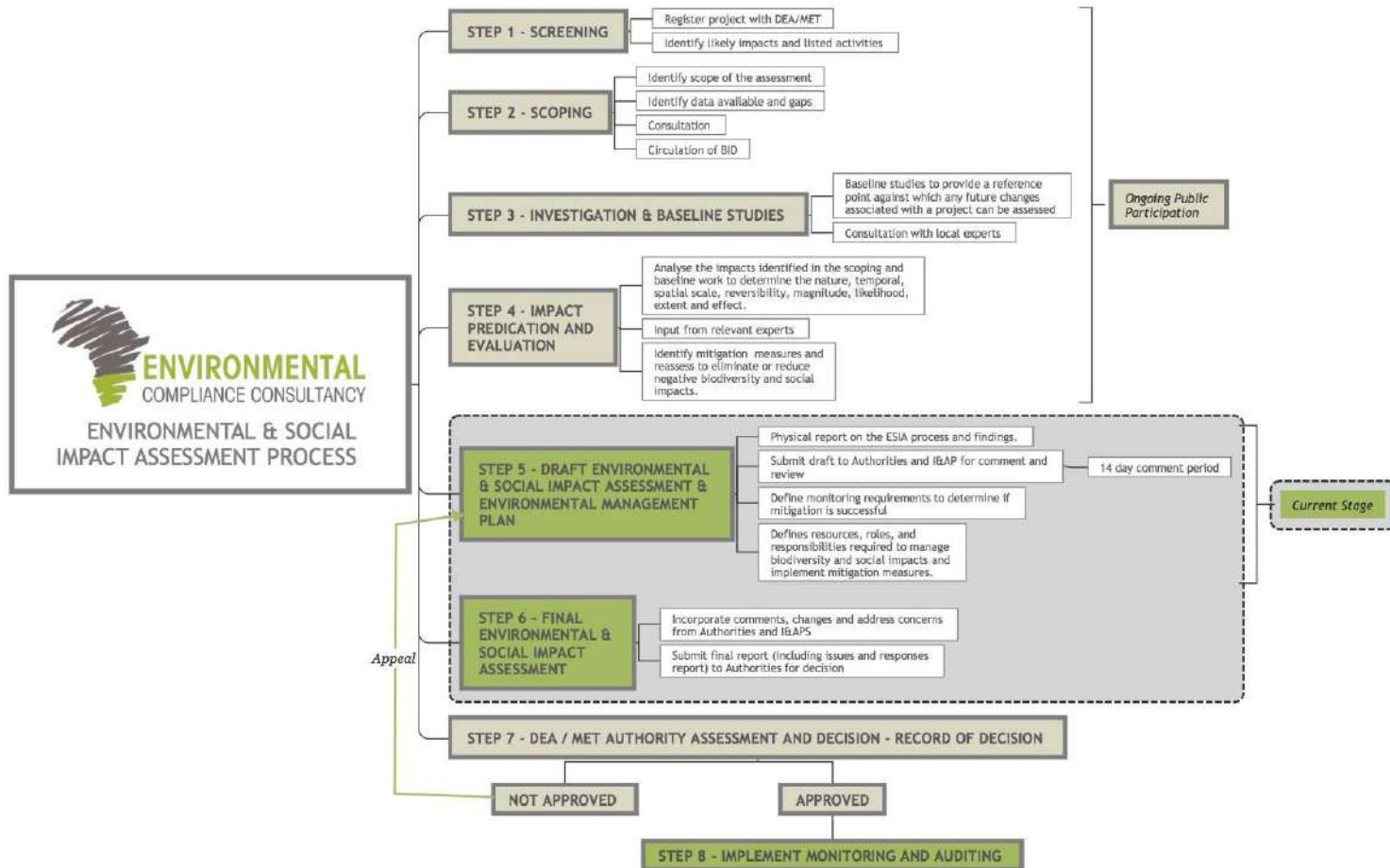
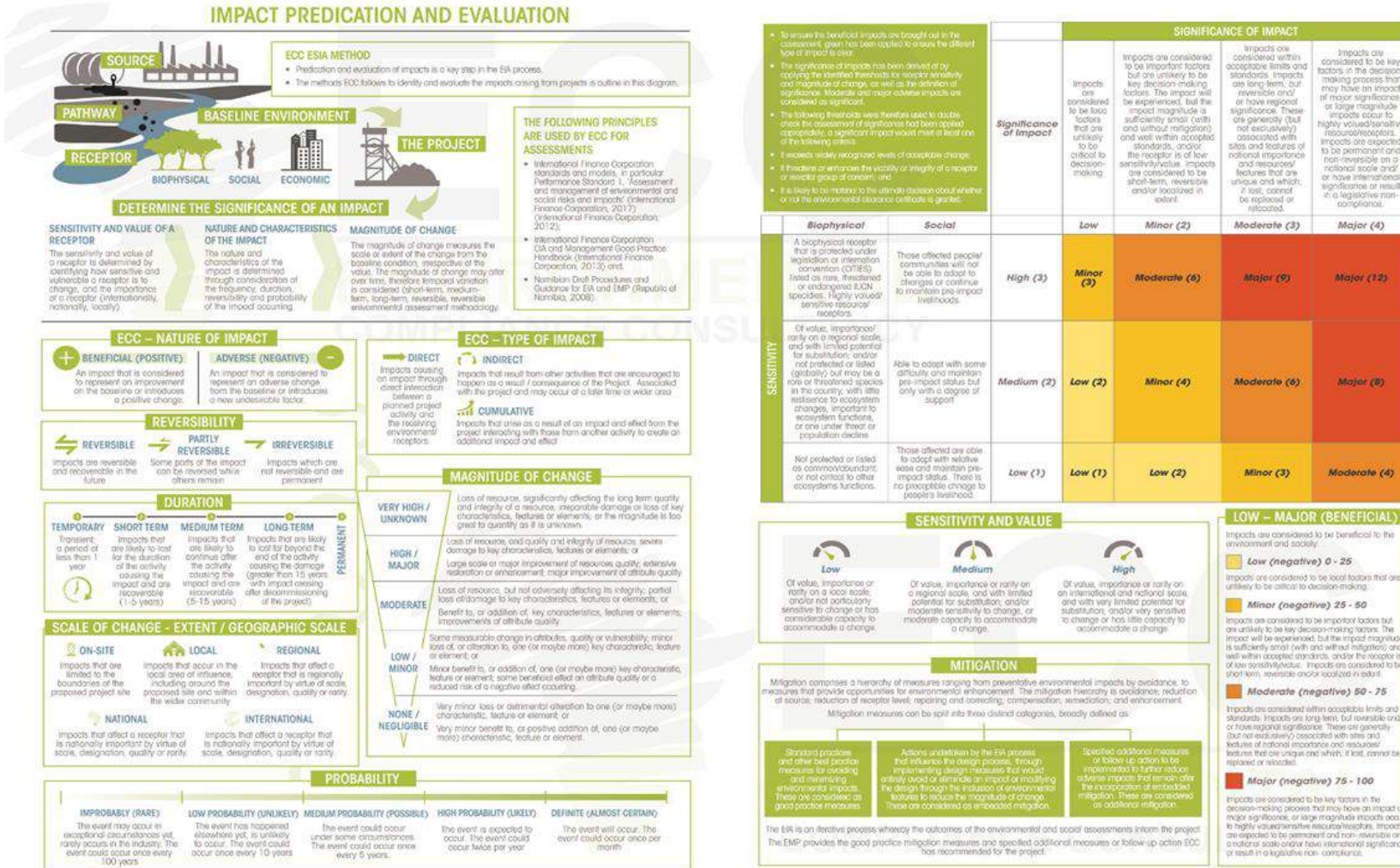


FIGURE 5 - ECC EIA METHOD



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FIGURE 6: ECC'S IMPACT ASSESSMENT METHODOLOGY

7 IMPACT ASSESSMENT FINDINGS AND PROPOSED MITIGATION MANAGEMENT MEASURES

This chapter presents the findings of the EIA for the proposed project as per the EIA process, scope and methodology set out in Chapter 2 and Chapter 6. A range of potential impacts has been identified that may arise because of the proposed project. This EIA report aims to focus on the significant impacts that may arise because of the proposed project. This chapter mentions both the non-significant and significant impacts and or those that may have specific interest to the community and stakeholders.

When undertaking the assessment exercise, the design of the proposed project and best practice measures were considered to ensure the likely significant effects and any required additional mitigation measures were identified. A summary of the potential impacts and mitigation or control measures are discussed below.

The following topics were considered during the scoping phase:

- Air quality (emissions, pollutants and dust);
- Noise;
- groundwater and Surface water;
- Sewage Waste;
- Soil and topography and;
- Socioeconomics (employment).

For each potential significant or sensitive impact, a summary is provided which includes the activity that would cause an impact; the potential impacts; embedded or best practice mitigation (stated where required or available); the sensitivity of receptor that would be impacted; the severity, duration, and probability of impacts; the significance of impacts before mitigation and after mitigation measures are applied.

7.1 IMPACTS DEEMED NOT SIGNIFICANT

Impacts that have been identified as not being significant are summarized in table 5 below. As a result of an iterative development process, mitigation has been incorporated and embedded into the project, thereby designing out potential environmental and social impacts or reducing the potential impact so that it is not significant. Best practice has also played a role in avoiding or reducing potential impacts. The EMP provides best practice measures, management, and monitoring for all impacts.

Impacts that have been assessed as not being significant are summarised in Table 6 below and not discussed further.

The listed impacts below are non-significant and do not render any threat to the environment in a way that adversely challenges its resilience to continue in its modified form.

TABLE 5 - TABLE OF NON-SIGNIFICANT IMPACTS

ENVIRONMENT OR SOCIAL TOPIC	POTENTIAL IMPACT	SUMMARY OF PRELIMINARY ASSESSMENT FINDINGS
Waste management	Waste generation during construction and operational phases.	Waste items and litter on the site and surrounding areas. The proponent will develop a waste management plan to counter the impact of waste dispersal on and surrounding the site.
Increased people/foot traffic in the immediate vicinity. (Construction phase only)	Increased footfall in the project area and surrounding vicinity.	The potential risk of negative social interactions to occur between the workforce and the public. An internal Health and Safety Management Plan will be developed by the client to address this topic and the mitigation measures provided.
Increased Traffic	Potential increase in the number of trucks.	The potential negative impact to the traffic in Outjo area, as well as potential for accidents at the, turn off to the site (Slow-moving vehicles turning).
Air Quality	The construction of the proposed project building will discharge dust which is considered a form of air pollution.	During construction, excavation activities will discharge some form of air pollution into the atmosphere (i.e. dust) and marginally affect the ambient air quality of the vicinity. The EMP should be closely followed to minimise air pollution.
Sewage Waste	Potential nutrient enrichments of groundwater	On-site sewage disposal systems/septic tanks need to be effectively cleaned and maintained. There is the potential for nutrient enrichment of groundwater (Lapointe et al. 1990). Specifications in EMP should be closely followed.

ENVIRONMENT OR SOCIAL TOPIC	POTENTIAL IMPACT	SUMMARY OF PRELIMINARY ASSESSMENT FINDINGS
Noise	Noise from mechanical equipment/machinery on-site, as well as an increase in sound generation from larger slow-moving vehicles (Trucks).	During the construction and operational phase, there is potentially increased noise levels, thus the possible noise pollution should be considered.
Biodiversity	Interaction with animals and plants on-site and the surrounding areas.	Because this is still a relatively untouched area (new industrial site with little construction) on the outside of Outjo, there is an increased potential to come into contact with the local biodiversity, for example, plants, snakes, scorpions, birds, small (e.g., rodents) and larger mammals. Some species might be endangered; thus, it is essential to ensure no biodiversity is harmed or removed without the appropriate permits (Plants).

7.2 SIGNIFICANT ISSUES TO BE ADDRESSED

Table 6 below contains potential impacts that have been identified as significant.

TABLE 6 - LIST OF POTENTIAL SIGNIFICANT IMPACTS SCOPED INTO THE ASSESSMENT

ENVIRONMENT OR SOCIAL TOPIC	POTENTIAL IMPACT	SUMMARY OF PRELIMINARY ASSESSMENT FINDINGS
Air Quality/Fall-Out Dust from the Charcoal Processing Plant	Potential of fall-out dust affecting the surrounding environment as well as the health and wellbeing of people in the surrounding areas close to the site.	The assessment should consider the effectiveness of the proposed dust control system. The potential of a visual nuisance as well as negative effects of the potential increase of inhalable charcoal dust, which could also contain various toxic elements (Hamatui, et.al., 2014). Air quality should be strictly managed according to the EMP specifications.

ENVIRONMENT OR SOCIAL TOPIC	POTENTIAL IMPACT	SUMMARY OF PRELIMINARY ASSESSMENT FINDINGS
Fuel/chemicals Potential soil contamination,	Potential for fuel spills on site due to the proposed fuel tank that will be installed on-site. Potential uncontrolled hydrocarbon leakage spillage due to elevated topography of the site.	A river runs close to the site (45 - 150 meters) and is a sensitive receptor, thus it is crucial to ensure that fuel or other pollutants are unable to make their way to the river. Erosion control measures should be implemented.
Noise	Noise nuisances may be felt within and surrounding the facility.	Ensure noise levels are maintained within the SANS standard for environmental noise, which is 70 dB (outdoors) and 60 dB (indoors) in an industrial district. The EMP should be closely followed to ensure that noise generated stays below these limits.

7.3 SCOPING ASSESSMENT FINDINGS

When undertaking the scoping exercise, the design of the project and best practice measures were considered to ensure the likely significant effects and any required additional mitigation measures were identified. A summary of the potential impacts and mitigation or control measures were discussed.

Table 7 sets out the findings of the scoping assessment phase. Activities that could be the source of an impact have been listed, followed by receptors that could be affected. The pathway between the source and the receptor has been identified where both are present. Where an activity or receptor has not been identified, an impact is unlikely, thus no further assessment or justification is provided. Where the activity, receptor and pathway have been identified, a justification has been provided documenting if further assessment is required or not required.

Due to the nature and localised scale of the construction and operational activities, and the environmental context of the site, the potential environmental and social effects are limited and unlikely to be significant. The only area where uncertainty remained during the scoping phase was the potential effects on human receptors from the increased movement in the area and dust pollution and visual impacts, namely residents in the nearby houses. Further

consideration of the potential effects on humans was therefore undertaken and results are presented in the next section.

7.4 MITIGATION

Mitigation measures will focus on reducing the effects of the potential impacts and ensure an acceptable measure of operation can be maintained when an impact cannot be avoided completely. An EMP will be developed in conjunction with the Scoping and Impact assessment report will set out the management and mitigation measures for the project

TABLE 7: IMPACT ASSESSMENT TABLE, WITH ALL THE POTENTIAL IMPACTS AND MITIGATION MEASURES.

DESCRIPTION OF ACTIVITY	RECEPTOR	DESCRIPTION OF IMPACT	EFFECT/DESCRIPTION OF MAGNITUDE	VALUE OF SENSITIVITY	MAGNITUDE OF CHANGE	SIGNIFICANCE OF IMPACT	IMPACT MANAGEMENT/CONTROL MEASURES	RESIDUAL IMPACT AFTER MITIGATION
Construction and operation of the processing plant	Community	Triggers job creation, skills development, and downstream spending opportunities within the local and regional economy	Beneficial Cumulative Reversible Moderate Medium-term Regional Likely	Medium	Moderate	Low (2)	<ul style="list-style-type: none"> - Maximize local employment; - As far as possible promote local procurement of goods and services; and - Enhance the development of local skills where possible. 	Low beneficial
Mobile and static equipment in use	Workforce (health and safety on site)	Equipment used during construction and plant operations may cause injury to personnel	Adverse Cumulative Partly Reversible Major Permanent Regional Possible	High	Major	Moderate (6)	<ul style="list-style-type: none"> - Safety induction training sessions should be given to all technicians and field staff before commencement of their shifts; - Risk identification and suitable prevention measures should be employed within the plant area to eliminate potential 	Low (2)

							<ul style="list-style-type: none"> impacts; - Routine medical checks to be conducted on personnel to ascertain fitness for work levels; - Frequent maintenance of all equipment and daily inspections done; and - No unauthorized use of equipment is allowed. 	
Operation activities i.e., (offloading, crushing, sieving and general handling of charcoal products)	Air quality/ Workforce (health and safety on site)	Reduction of the ambient air quality in the area; Charcoal dust emission impacts.	Adverse Direct Partly Reversible Major Long term Local Almost certain	High	Major	Major (12)	<ul style="list-style-type: none"> - An effective charcoal dust extractor and handling unit to be installed at the industrial sieving, bagging and conveying operations; - Any charcoal dust-related issues and complaints shall be registered, and mitigation steps are taken to address complaints where necessary i.e., dust suppression; and - Monitor air quality to detect areas of concern by implementing depositional dust fallout stations around the plant proportional to the 	Minor (3)

							<p>direction of potential sensitive receptors.</p> <ul style="list-style-type: none"> - All Employees should always have access to the appropriate PPE. - Relevant training and awareness should be given to employees to ensure that they are aware of the major negative effects of dust inhalation. 	
Waste generation on site	Surface water	Inadequate management of waste on-site can litter and pollute surface drainage channels	<p>Adverse Direct Partly Reversible Moderate Short Term Local Possible</p>	Medium	Moderate	Minor (4)	<ul style="list-style-type: none"> - Good housekeeping - Training and awareness through toolbox talks and induction - Implement a Standard Operational Procedure on waste management, from cradle to grave for all kinds of waste possible on-site (i.e. domestic, mineral, hydrocarbons, hazardous, etc.) - Raise awareness about the importance of responsible waste management - Implement a culture of correct 	Low (2)

							<ul style="list-style-type: none"> waste collection, waste segregation and waste disposal - Avoid hazardous waste on-site - Wastewater discharges will be contained – no disposal of wastewater 	
Fuel and other hydrocarbons stored on site	Groundwater quality	Contamination due to site operations such as maintenance activities, loss of containment, accidental fuel / hydraulic fluid leaks and spills, or similar sources.	<p>Adverse Direct Partly reversible Moderate Medium-term Local Possible</p>	Medium	Moderate	Moderate (6)	<ul style="list-style-type: none"> - Good housekeeping - Training through toolbox talks and induction - All stationary vehicles and machinery must have drip trays to collect leakages of lubricants and oil - Spill kits and absorption material available during fuel delivery, storage or use - Accidental spills and leaks (including absorption material) to be cleaned as soon as possible - Major spills to be reported, also to the authorities - Maintenance and service schedules on equipment are in place - Store bulk fuel in an adequate 	Low (2)

							<ul style="list-style-type: none"> containment area (non-porous surface, bunded) - No damaged containers in use - Preventative measures will be in place when service and maintenance activities are done (drip trays, non-porous surfaces, funnels, non-damaged containers); - Refuelling will be done in areas with adequate preventative measures in place. 	
Charcoal processing and briquette production	Noise/ Workforce (health and safety on site)	Production noise emissions from the charcoal processing and briquette making activities and equipment.	Adverse Direct Partly Reversible Moderate Permanent Local Likely	High	Moderate	Major (12)	<ul style="list-style-type: none"> - Develop a noise management standard operating procedure for the facility and activities occurring on-site operations which shall include, but are not limited to: - Fitting sound mufflers on all machinery where applicable; - Maintain up to date and complete service levels of all moving and stationary machinery; - Throttle back or turn off 	Minor (3)

							<p>machinery that is not in use; and</p> <ul style="list-style-type: none"> - Closely follow the EMP <p>Avoid creating and propagating unnecessary sound-emitting noise on-site on and after hours.</p>	
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8 CONCLUSION

Through the scoping process, it was found that the only significant impacts that may occur during the construction and operational phases of the project are impacts from noise and dust on the environment and employee health and safety, as well as potential hydrocarbon spills or leakages which is a concern due to the relief of the site and potential to affect a nearby sensitive receptor (river) and the groundwater quality of the area. Thus, the handling of fuel, Dust and noise generation will need to be carefully monitored and managed according to the EMP.

Furthermore, the potential impacts with regards to waste generation increased traffic, construction phase noise and dust generation, biodiversity and sewerage are expected to be of minimal significance, due to the site already being located within a heavy industrial area. But, these areas should still be managed according to the environmental management plan to ensure that the proponent complies with the relevant legislation, international standards and best practices.

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APPENDIX A – ENVIRONMENTAL MANAGEMENT PLAN

APPENDIX B – NON TECHNICAL SUMMARY

APPENDIX C – PUBLIC PARTICIPATION

WEDNESDAY 28 APRIL 2021
Market Watch
Republieke Sun Allgemeine Zeitung 11



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The Dolphin Schools are seeking energetic, highly motivated **TEACHERS** for the following vacancies - to take up employment May 2021:

- Accounting (Grade 8-12)
- Hospitality Studies (Grade 8-12)
- Junior Primary English Home Language (Grade 1)

The successful candidate will:

- have an applicable tertiary qualification;
- be available to accept register class responsibilities;
- be available to contribute to the schools' extra-curricular programme;
- share in the schools' vision to provide a unique, high quality, comprehensive educational experience to all our students;
- be excited about joining as a member of our team!

Closing date for applications: 30 April 2021

Please send a detailed CV, including at least 3 contactable references and certified copies of all supporting documentation, to:

The Executive Committee, P.O.Box 4403, Walvis Bay or hand deliver to 35 Theo-Ben Gurirab Street, Walvis Bay or mail to office@DSS.edu.na

Only short listed candidates will be contacted within two weeks after the closing date.

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ECC ENVIRONMENTAL COMPLIANCE CONSULTANCY

NOTICE OF AN ENVIRONMENTAL ASSESSMENT AND PUBLIC PARTICIPATION PROCESS FOR THE DEVELOPMENT AND OPERATION OF A CHARCOAL AND BRIQUETTE PROCESSING, PACKAGING, AND STORAGE FACILITY IN OUTJO, KUNENE REGION, NAMIBIA

Environmental Compliance Consultancy CC (ECC) hereby gives notice to the public that an application for an environmental clearance certificate in terms of the Environmental Management Act, No. 7 of 2002 will be made as per the following:

Applicant: Nexus Charcoal (Pty) Ltd
Environmental Assessment Practitioner (EAP): Environmental Compliance Consultancy
Location: Kunene Region, Namibia

Project: A charcoal and briquette processing, packaging and storage facility in the Kunene Region, Namibia.

Proposed Activities: Key infrastructure and activities on the site will include: Construction of a warehouse with offices and separate ablutions and resting area and the development of a charcoal and briquette processing, packaging and storage facility.

Application for environmental clearance certificates in terms of the Environmental Management Act, No. 7 of 2002, ECC on behalf of Nexus Charcoal (Pty) Ltd is required to apply for an environmental clearance certificate from the Ministry of Environment, Forestry and Tourism for the above-mentioned project.

ISAPs Registration: The purpose of the review and registration period is to introduce the proposed project and to afford Interested and Affected Parties (ISAPs) an opportunity to register and comment on the Non-Technical Summary (NTS), to ensure that potential issues and concerns are brought forward, so that they can be considered and assessed during the impact assessment process.

Registration period: Effective from 28th April 2021 to 12th of May 2021.
ISAPs and stakeholders are required to register for the project at: <http://ecc.environmental.com/projects/>

The team of ECC will then maintain contact with all registered ISAPs to engage and to keep them informed as the ESIA process develops. ECC will also provide registered ISAPs input opportunities and review periods throughout the assessment process.

Environmental Compliance Consultancy
Registration Numbers CC/2013/11404
Members Mr J.B. Bassindienhout or Mrs J.B. Bassindienhout
P.O. Box 98153, Klein Windhoek
Tel: +264 011 669 7608
E-mail: info@eccenvironmental.com
Website: <http://www.eccenvironmental.com>
Project ID: ECC-123-347-011-09-n

NEXUS charcoal

WEDNESDAY 5 MAY 2021 Market Watch **3**



Most of Namibia received good rains, which resulted in a significant drop in sales of licks and feed at Agra in the six months ended 31 January 2021. PHOTO NAMPA

Net profit jumps 66%

Bumper half year for Agra

At the end of January 2021, Agra's total assets were about N\$995.4 million, nearly 6.4% more than the end of January 2020.

JO-MARÉ DUDDY

Agra Limited weathered the Covid-19 storm in the six months ended 31 January 2021, reporting an increase of nearly 66% year-on-year in total comprehensive income.

The group, which trades over the counter (OTC) at the Namibian Stock Exchange (NSX), recorded an interim total comprehensive income of about N\$26.2 million, up nearly N\$10.4 million from the same six months in 2020.

"Fortunately, the agricultural industry, being a primary industry, has not been as negatively affected by the global pandemic as many other industries and for this we are extremely grateful," the group said in its latest unaudited results released on the NSX.

Preliminary data from the Namibia Statistics Agency (NSA) shows agriculture, forestry and fishing grew by 5.9% year-on-year (y/y) in 2020, compared to -3.2% the year before. In contrast, Namibia's overall economy grew by -8% y/y last year.

Crop farming and forestry recorded growth of 76.5% y/y following good rains, against -32% in 2019. Livestock farming, on the other hand, grew by -10.2% y/y, compared to 5.4% in 2019.

Agra said the severe drought that has plagued Namibia for the past several years has taught the group many lessons, allowing it to effectively overcome challenges and operate in an extremely difficult trading environment.

TURNOVER

Agra's revenue for the six months under review totalled nearly N\$945.2 million, down about N\$47

million or nearly 4.8% y/y. The group commented: "With the exception of the southern and western parts of Namibia, the country has received good rains, which resulted in a significant drop in sales of licks and feed." It added: "As farmers are focusing on production and restocking herds, the landscape of agriculture has changed and as such, Agra had to adapt to the changing needs of our core market."

Agra took "continuous precautions" to manage operational costs in the half-year under review. "This included temporarily putting on hold several capital projects, as well as not filling vacant positions for non-essential personnel," according to the group.

As a result, operating expenses increased by only 0.5% y/y to nearly N\$158.9 million.

"The profit before tax-



The severe drought that has plagued Namibia for the past several years has taught the group many lessons.

Agra Limited

invest in the expansion of infrastructure and to fill all vacant positions, it said.

ASSETS

The group's annualised basic earnings per share (EPS) came in at 51.37c, 65% higher y/y.

Agra's net asset value (NAV) per share for the six months under review was N\$4.52, an y/y increase of nearly 7.9%.

At the end of January 2021, Agra's total assets were about N\$995.4 million, nearly 6.4% more than the end of January 2020. Cash and cash equivalents stood at about N\$57.2 million, compared to a negative N\$9.9 million in the same half-year in 2020.

The group's reserves stood at around N\$26.9 million, down 4.8% y/y. Agra managed to reduce its bank overdraft from nearly N\$11.4 million to N\$92.99 million.



NOTICE OF AN ENVIRONMENTAL ASSESSMENT AND PUBLIC PARTICIPATION PROCESS FOR THE DEVELOPMENT AND OPERATION OF A CHARCOAL AND BRIQUETTE PROCESSING, PACKAGING, AND STORAGE FACILITY IN OUTJO, KUNENE REGION, NAMIBIA

Environmental Compliance Consultancy (ECC) hereby gives notice to the public that an application for an environmental clearance certificate in terms of the Environmental Management Act, No. 7 of 2007 will be made as per the following:

Applicant: Nexus Charcoal (Pty) Ltd
Environmental Assessment Practitioner (EAP): Environmental Compliance Consultancy
Location: Kunene Region, Namibia

Project: A charcoal and briquette processing, packaging and storage facility in the Kunene region, Namibia.

Proposed Activities: Key infrastructure and activities on the site will include: Construction of a warehouse with offices and separate ejections and resting area and the development of a charcoal and briquette processing, packaging and storage facility.

Application for environmental clearance certificate: in terms of the environmental management act, No. 7 of 2007, ECC on behalf of Nexus Charcoal (Pty) Ltd is required to apply for an environmental clearance certificate from the Ministry of Environment, Forestry and Tourism for the above-mentioned project.

ISAPs registration: The purpose of the review and registration period is to introduce the proposed project and to afford interested and affected parties (I&APs) an opportunity to register and comment on the non-technical summary (NTS), to ensure that potential issues and concerns are brought forward, so that they can be considered and assessed during the impact assessment process.

Registration period: Effective from 28th April 2021 to 12th of May 2021. I&APs and stakeholders are required to register for the project at: <http://eccenvironmental.com/projects/>

The teams at ECC will then maintain contact with all registered I&APs to engage and to keep them informed as the EIA process develops. ECC will also provide registered I&APs input opportunities and review periods throughout the assessment process.

Environmental Compliance Consultancy
Registration Number: CC/2020/214044
Members: Mr IS Bessendorp and Mrs J Bessendorp
PO Box 31253, Ellen Waaibeek
Tel: +264 81 669 7802
E-mail: info@eccenvironmental.com
Website: <http://www.eccenvironmental.com>
Project ID: ECC-123-347-014-01-A



Transfer Pricing in Namibia: Are you ready?

With increased global trade and business operating across jurisdictions, the need for tax authorities to closely monitor pricing of intra-group transactions becomes more and more important.

"Transfer pricing" is the term used to refer to the rules and methods applied for pricing transactions between related entities under common ownership or control (i.e. "connected persons"). Transfer pricing ("TP") is not new to Namibia.

Its legislation was introduced in Namibia during May 2005, and a Practice Note on the application of this legislation followed in September 2006. Currently, the legislation addresses international transactions with connected persons only and no domestic transfer pricing rules exist.

Namibia's TP rules allow related entities to set prices in any manner as long as supporting transfer pricing documentation is in place. This documentation must demonstrate the application of sound transfer pricing policies to ensure that "affected transactions" between connected parties are carried out at arm's length.

Examples of such transactions include related-party loans and admin/management fees.

Where Inland Revenue is of the view that transactions are not carried out at arm's length, the Commissioner may adjust intra-group prices. Such adjustments could result in the short payment of income tax and possible late payment penalties and interest charges.

Although Inland Revenue has not conducted full scope TP compliance investigations until now, the launch of the Namibia Revenue Agency ("NamRA") on 7 April 2021 referred to transfer pricing as one of the key focus areas.

With Namibia having joined the OECD's inclusive framework on BEPS in August 2019, changes to certain aspects of the legislation should also be expected that will increase compliance obligations on taxpayers.

It is safe to say that there will always be conflicting objectives between tax authorities and taxpayers when it comes to transfer pricing. Tax authorities are aiming to ensure they are capturing their fair share of tax revenue while still providing incentives to increase economic activity in the country, whereas taxpayers are focused on complying with local country rules and managing their effective tax rates. If you are concerned that you have not properly assessed your potential TP risks and planning opportunities, contact your tax advisor today as the implications of non-compliance can be very costly.

Author:

Bianca Cooper
Manager: Indirect Tax & Transfer Pricing
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APPENDIX D – OUTJO MUNICIPALITY LETTER

Municipality of Outjo

7 Hage G. Geingob Ave. P.O. Box 51, Outjo, Namibia

Tel. +264 - 67 - 313013 / Fax: +264 - 67 - 313065

E-mail: info@outjomun.com.na



Reference: 7/2/3/1

Date: 01 June 2021

Nexus group Holdings (Pty) Ltd
OUTJO

Dear Sir

RE: PERMISSION TO FACILITATE A CHARCOAL PACKING PLANT

The Municipal Council of Outjo hereby grant permission to Nexus Group Holdings (Pty) Ltd to operate a charcoal sifting and packing plant on erf 1113 of the Western Industrial area Outjo extension six.

You faithfully



JOSEF ABEL /URIB
Chief Executive Officer



All official correspondence must be addressed to the Chief Executive Officer

Municipality of Outjo

7 Hage G. Geingob Ave. P.O. Box 51, Outjo, Namibia

Tel. +264 - 67 - 313013 / Fax: +264 - 67 - 313065

E-mail: info@outjomun.com.na



Reference: 7//2/3/1

Date: 01 June 2021

Nexus group Holdings (Pty) Ltd
OUTJO

Dear Sir / Madam

RE: PERMISSION TO CONSTRUCT A SEPTIC TANK

The Municipal Council of Outjo hereby grant permission to Nexus Group Holdings (Pty) Ltd to construct a sealed sewer septic tank/reservoir to accommodate the ablution facilities at the charcoal sifting and packing plant on Erf 1113 of the Western Industrial area Outjo Extension Six. This septic tank will be emptied by the Municipal Council, and the content will be safely disposed of at the Municipal waste water plant.

You faithfully



JOSEF ABEL /URIB
Chief Executive Officer



All official correspondence must be addressed to the Chief Executive Officer

APPENDIX E – ECC CV