

REPORT

Central Térmica de Temane Project - Stakeholder Engagement Plan

Moz Power Invest, S.A. and Sasol New Energy Holdings (Pty) Ltd

Submitted to:

Ministry of Land, Environment and Rural Development (MITADER)

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Executive Summary

Moz Power Invest, S.A. (MPI), a company to be incorporated under the laws of Mozambique and Sasol New Energy Holdings (Pty) Ltd (SNE) in a joint development agreement is proposing the construction and operation of a gas to power facility, known as the Central Térmica de Temane (CTT) project. MPI's shareholding will be comprised of EDM and Temane Energy Consortium (Pty) Ltd (TEC). The joint development partners of MPI and SNE will hereafter be referred to as the proponent. The proponent proposes to develop the CTT, a 450MW natural gas fired power plant. This Stakeholder Engagement Plan (SEP) sets the framework for management of interactions between the proponent and its neighbouring communities and other stakeholders interested in or affected by the CTT project during the development, construction, operation and decommissioning phases of the project.

The SEP follows the framework provided by the World Bank Group (WBG). The purpose of stakeholder engagement is to establish, maintain, and preserve a beneficial relationship with various stakeholders over the course of a project. The SEP deals with public consultation for an Environmental and Social Impact Assessment (ESIA), which started in 2014 and, following the ESIA, which entails ongoing engagement with stakeholders during the lifecycle of the CTT project.

The CTT project is already committed to engaging with project stakeholders in line with Mozambican regulatory requirements and the World Bank (WB) Performance Standards (PSs) and, as such, endeavours to engage early and proactively with stakeholders; and disclose information in a transparent and appropriate way.

The location for the CTT is approximately 500m south of the Central Processing Facility. The proposed site of the CTT project is in the Temane/Mangugumete area, Inhassoro District, Inhambane Province, Mozambique; and approximately 40km northwest of the town of Vilanculos. The Govuro River lies 8km west of the proposed CTT site. The estimated footprint of the CTT power plant is 20ha.

The electricity generated by the CTT project will be evacuated directly from the CTT plant via an electricity transmission line (400KV) to the proposed Vilanculos substation over a total length of 25km (Figure 1). The natural gas will be transported from the Central Processing Facility (CPF) to the CTT plant via a 2km pipeline. The method of water provision to the CTT plant is still under consideration. One option is that water for the CTT plant could be abstracted from a borehole located on site or from an alternative borehole and transported to site in a pipeline of 11km that crosses the Govuro River to the east of the CTT site. The latter option is not the preferred option at this stage. An access road about 3km also will be constructed between the CTT site and the existing CPF access road. Part of the project also will include the temporary activities during the construction phase of the project. These temporary activities will entail a beach landing of large, heavy equipment and materials near Inhassoro via the use of barges coming from a ship anchored off the coast. The equipment and materials will be transported to the CTT site by using large articulated trucks and trailers. Possible road upgrades and temporary bridge structures will be put in place for this purpose.

Applicable policies, legislation and guidelines relating to stakeholder engagement covered in this plan include Decree 54/2015 of 31 December related to the new Regulation on the Environmental Impact Assessment process. The CTT project is committed to complying with international standards, in particular, the Equator Principles (5 & 6) and the WB PSs (1, 2, 4, 5, 7, and 8).

The stakeholder engagement process for the ESIA will be conducted in Portuguese with translation to Xitsua, with selected materials available in Portuguese. The key objectives of stakeholder engagement during the Terms of Reference Phase (Scoping Phase) of the ESIA process was to provide sufficient and accessible information to enable stakeholders to understand the context of this ESIA in terms of international requirements

and national legislation; become informed and educated about the proposed project and its potential impacts and to contribute issues of concern, suggestions for enhanced benefits, contribute local knowledge and raise questions.

During the Impact Assessment Phase, the objectives of stakeholder engagement are to provide stakeholders with an opportunity to verify that their issues and suggestions have been evaluated and addressed by feedback; and for stakeholders to comment on the findings of the ESIA and proposed mitigation measures and monitoring programme. After submission of the ESIA to the relevant regulator and once the authority has made a decision on whether or not the project may be implemented, the objectives of stakeholder engagement are mainly to provide stakeholders with the outcome of the authority's decision regarding the project and to engage on the nature and effectiveness of mitigation measures.

The SEP includes differentiated measures to allow the effective participation of those identified as disadvantaged or vulnerable. Importantly, all community meetings planned with traditional leaders and local communities will be discussed with the local and district government administration to ensure they are informed of these activities. Second, all community meetings will be arranged in advance with the stakeholders; and will take place in their local language; will be accompanied by visual materials and handouts; and will be photographed and documented. Meetings and contact with stakeholders will be conducted in a culturally appropriate manner as stipulated in the WB guidelines. The SEP provides for ongoing stakeholder engagement beyond the ESIA inclusive of a grievance redress mechanism and monitoring and evaluation measures to be applied by the CTT project.

ACRONYMS

Acronym	Description
ADI	Area of Direct influence
All	Area of Indirect Influence
BANP	Bazaruto Archipelago National Park
CBO	Community Based Organisation
CPF	Central Processing Facility
CTT	Central Térmica de Temane
EDM	Electricidade de Moçambique, E.P (Mozambique Power Company)
EMP	Environmental Management Plan
ESIA	Environmental and Social Impact Assessment
EPDA	Estudo de Pré-viabilidade Ambiental e Definição de Âmbito (Environmental Pre-feasibility and Scope Definition Report)
ESHIA	Environmental, Social and Health Impact Assessment
FGD	Focus Group Discussion
GHG	Greenhouse Gas
GRM	Grievance Redress Mechanism
HVAC	High Voltage Alternating Current
IFC	International Finance Corporation
ISO	International Organisation for Standardisation
IUCN	International Union for Conservation of Nature
CTT	Central Térmica de Temane
MICOA	Ministério para a Coordenação da Acção Ambiental (Mozambican Ministry for the Coordination of Environmental Affairs)
MPI	Moz Power Invest, SA
MITADER	Ministério da Terra, Ambiente e Desenvolvimento Rural (Mozambican Ministry of Land, Environment and Rural Development)
MW	Megawatt
NGO	Non-Governmental Organisation
NSI	No Significant Area of Influence
oEMP	Operational Environmental Management Plan
PPZ	Partial Protection Zone
RPIP	Resettlement Planning and Implementation Programme
STE/CESUL	Projecto de Interligação da Rede Nacional de Energia Centro-Sul (Interconnection Project of South-Central National Energy Network)
ToR	Terms of Reference
WBG	World Bank Group
WHO	World Health Organisation

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1.0 INTRODUCTION

This Stakeholder Engagement Plan (SEP) sets the framework for the *Central Térmica de Temane* (CTT) project to manage interactions with its neighbouring communities and other stakeholders interested in or affected by the project. The proposed site of the CTT project is in the Temane/Mangugumete area, approximately 40 km northwest of the town of Vilanculos, in the Inhassoro District of the Inhambane Province, Mozambique.

The SEP has been produced in line with the World Bank (WB) Guidance Note (GN) 1, Annex B, in terms of PSs (PS) 1, Assessment and Management of Environmental and Social Risks and Impacts (www.ifc.org). According to the IFC's Stakeholder Engagement Good Practice Handbook¹, stakeholder engagement serves the purpose to:

“Establish and maintain a constructive relationship with a variety of external stakeholders over the life of the project and encompass a range of activities and approaches, from information sharing and consultation, to participation, negotiation and partnerships” (Stakeholder Engagement Good Practice Handbook, IFC)

Furthermore, stakeholder engagement is considered as “An effective engagement process allows the views, interests, and concerns of different stakeholders, particularly the local communities directly affected by the project (affected communities), to be heard, understood, and considered in project decisions and creation of development benefits (Guidance Note 6). Stakeholder engagement is the basis for building strong, constructive, and responsive relationships that are essential for the successful management of a project's environmental and social impacts (Guidance Note 90).”²

The proponent is committed to engaging with project stakeholders in line with Mozambican requirements and international standards that include the Equator Principles and WB, and as such, endeavours to engage early and proactively with stakeholders and disclose information in a transparent and appropriate way.

1.1 Project overview

The Mozambican economy is one of the fastest growing economies on the African continent with electricity demand increasing by approximately 6-8% annually. In order to address the growing electricity demand faced by Mozambique and to improve power quality, grid stability and flexibility in the system, Moz Power Invest, S.A. (MPI), a company to be incorporated under the laws of Mozambique and Sasol New Energy Holdings (Pty) Ltd (SNE) in a joint development agreement is proposing the construction and operation of a gas to power facility, known as the Central Térmica de Temane (CTT) project. MPI's shareholding will be comprised of EDM and Temane Energy Consortium (Pty) Ltd (TEC). The joint development partners of MPI and SNE will hereafter be referred to as the proponent. The proponent proposes to develop the CTT, a 450MW natural gas fired power plant.

The proposed CTT project will draw gas from the Sasol Exploration and Production International gas well field via the phase 1 development of the PSA License area, covering gas deposits in the Temane and Pande well fields in the Inhassoro District and the existing Central Processing Facility (CPF). Consequently, the CTT site is near the CPF. The preferred location for the CTT is approximately 500 m south of the CPF. The CPF, and the proposed site of the CTT project, is located in the Temane/Mangugumete area, Inhassoro District, Inhambane Province, Mozambique; and approximately 40 km northwest of the town of Vilanculos. The Govuro River lies 8 km east of the proposed CTT site. The estimated footprint of the CTT power plant is approximately 20 ha (see Figure 1).

¹ https://www.ifc.org/wps/wcm/connect/938f1a0048855805beacfe6a6515bb18/IFC_StakeholderEngagement.pdf?MOD=AJPERES

² https://www.ifc.org/wps/wcm/connect/938f1a0048855805beacfe6a6515bb18/IFC_StakeholderEngagement.pdf?MOD=AJPERES

Associated infrastructure and facilities for the CTT project will include:

- 1) Electricity transmission line (400 kV) and servitude; from the proposed power plant to the proposed Vilanculos substation over a total length of 25 km running generally south to a future Vilanculos substation. [Note: the development of the substation falls outside the battery limits of the project scope as it is part of independent infrastructure authorised separately (although separately authorised, the transmission line will be covered by the Project ESMP, and the Vilanculos substation is covered under the Temane Transmission Project (TTP) Environmental and Social Management Plans). Environmental authorisation for this substation was obtained under the STE/CESUL project. (MICOA Ref: 75/MICOA/12 of 22nd May 2012)];
- 2) Piped water from one or more borehole(s) located either on site at the power plant or from a borehole located on the eastern bank of the Govuro River (this option will require a water pipeline approximately 11km in length);
- 3) Access road; over a total length of 3 km, which will follow the proposed water pipeline to the northeast of the CTT to connect to the existing Temane CPF access road;
- 4) Gas pipeline and servitude; over a total length of 2 km, which will start from the CPF high pressure compressor and run south on the western side of the CPF to connect to the power plant;
- 5) Additional nominal widening of the servitude for vehicle turning points at points to be identified along these linear servitudes;
- 6) A construction camp and contractor laydown areas will be established adjacent to the CTT power plant footprint; and
- 7) Transshipment and barging of equipment to a temporary beach landing site and associated logistics camp and laydown area for the purposes of safe handling and delivery of large oversized and heavy equipment and infrastructure to build the CTT. The transshipment consists of a vessel anchoring for only approximately 1-2 days with periods of up to 3-4 months between shipments over a maximum 15 month period early in the construction phase, in order to offload heavy materials to a barge for beach landing. There are 3 beach landing site options, namely SETA, Maritima and Briza Mar (Figure 7). The SETA site is considered to be the preferred beach landing site for environmental and other reasons; it therefore shall be selected unless it is found to be not feasible for any reason; and
- 8) Temporary bridges and access roads or upgrading and reinforcement of existing bridges and roads across sections of the Govuro River where existing bridges are not able to bear the weight of the equipment loads that need to be transported from the beach landing site to the CTT site. Some new sections of road may need to be developed where existing roads are inaccessible or inadequate to allow for the safe transport of equipment to the CTT site. The northern transport route via R241 and EN1 is considered as the preferred transport route (Figure 8).



2.0 DESCRIPTION OF THE KEY PROJECT COMPONENTS

The CTT project will produce electricity from natural gas in a power plant located 500m south of the CPF. The project will consist of the construction and operation of the following main components:

- Gas to Power Plant with a generation capacity of 450MW;
- Gas pipeline (± 2 km) that will feed the Power Plant with natural gas from the CPF or from an alternative gas source;
- 400kV Electrical transmission line (± 25 km) with a servitude that will include a fire break (vegetation control) and a maintenance road to the Vilanculos substation. The transmission line will have a partial protection zone (PPZ) of 100m width. The transmission line servitude will fall inside the PPZ;
- Water supply pipeline to one or more boreholes located either on site or at boreholes located east of the Govuro River;
- Surfaced access road to the CTT site and gravel maintenance roads within the transmission line and pipeline servitudes;
- Temporary beach landing structures at Inhassoro for the purposes of delivery of equipment and infrastructure to build the power plant. This will include transshipment and barging activities to bring equipment to the beach landing site for approximately 1-2 days with up to 3-4 months between shipments over a period of approximately 8-15 months;
- Construction camp and contractor laydown areas adjacent to the CTT power plant site; and
- Temporary bridge structures across the Govuro River and tributaries, as well possible new roads and/or road upgrades to allow equipment to be safely transported to the site during construction.



Figure 2: Examples of gas to power plant sites (source: www.industcards.com and www.wartsila.com)

The final selection of technology that will form part of the power generation component of the CTT project has not been determined at this stage. The two power generation technology options that are currently being evaluated are:

- Combined Cycle Gas Turbine; and
- Open Cycle Gas Engines.

Please refer to Chapter 4 of the main ESIA document for further details on the technology option.

At this early stage in the project, a provisional layout of infrastructure footprints, including the proposed linear alignments is indicated in Figure 1. A conceptual layout of the CTT plant site is shown in Figure 3.

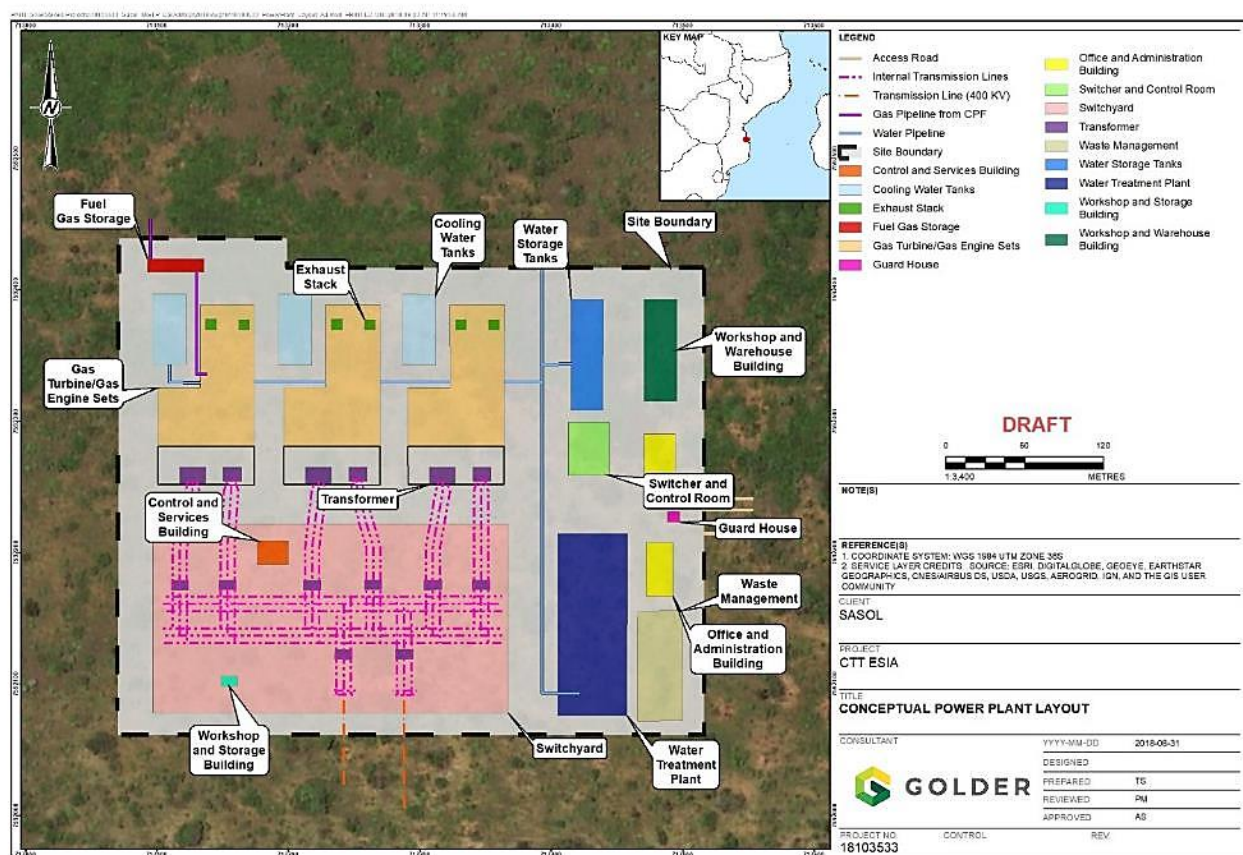


Figure 3: Conceptual layout of CTT plant site

2.1 Ancillary infrastructure

The CTT project will also include the following infrastructure:

- Maintenance facilities, admin building and other buildings;
- Telecommunications and security;
- Waste (solid and effluent) treatment and handling and disposal by a third party;
- Site preparation, civil works, and infrastructure development for the complete plant;
- Construction camp (including housing/accommodation for construction workers); and
- Beach landing laydown area and logistics camp.

The heavy equipment and pre-fabricated components of the power plant will be brought in by ship and transferred by barge and landed on the beach near Inhassoro. The equipment and components will be brought to the site by special heavy vehicles capable of handling abnormally heavy and large dimension loads. Figure 4, Figure 5 and Figure 6 show examples of the activities involved with a temporary beach landing site, offloading and transporting of large heavy equipment by road to the site.

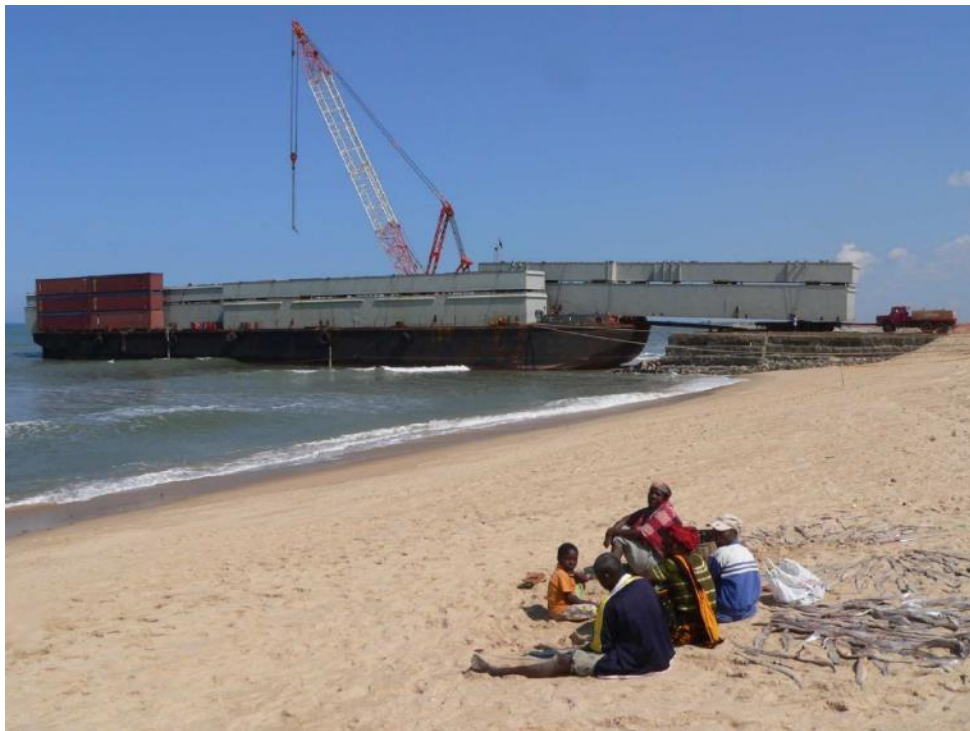


Figure 4: Typical beach landing site with barge offloading heavy equipment (source: Comarco)



Figure 5: Example of large equipment being offloaded from a barge. Note the levels of the ramp, the barge and the jetty (source: SUBTECH)



Figure 6: Heavy haulage truck with 16-axle hydraulic trailer transporting a 360-ton generator (source: ALE)

2.2 Water and electricity consumption

The type, origin and quantity of water and energy consumption are still to be determined based on the selected technology to construct and operate the CTT plant. At this stage it is known that water will be sourced from existing boreholes located on site or east of the Govuro River for either of the technology options below:

- Gas Engine: $\pm 12 \text{ m}^3/\text{day}$; or
- Gas Turbine (Dry-Cooling): $\pm 120 - 240 \text{ m}^3/\text{day}$.

2.3 Temporary beach landing site and transportation route alternative

As part of the CTT construction phase, it was considered that large heavy equipment and materials would need to be brought in by a ship which would remain anchored at sea off the coast of Inhassoro. Equipment and materials would be transferred to a barge capable of moving on the high tide into very shallow water adjacent to the beach to discharge its cargo onto a temporary offloading jetty (typically containers filled with sand) near the town of Inhassoro. As the tide changes, the barge rests on the beach and offloading of the equipment commences.

Currently, the SETA beach landing site is the preferred beach landing site from an environmental and social point of view assuming the use of one of the identified anchor sites, together with the road route option to be used in transporting equipment and materials along the R241 then the EN1 then via the existing CPF access road to the CTT site near the CPF. Figure 7 and Figure 8 indicate the beach landing site and route transportation option. The alternative beach landing sites of Maritima and Briza Mar are still being evaluated as potential options, as well as the southern transport route, which would also require road upgrades and a temporary bridge construction across the Govuro at the position of the existing pipe bridge. As part of the transportation route, the Govuro River Bridge may need to be upgraded / strengthened to accommodate the abnormal vehicle loads. Alternatively, a temporary bypass bridge will be constructed adjacent to the existing bridge.





Figure 8: The two main transportation route alternatives from the beach landing sites to the CTT site

2.4 Political and administrative structure in the study area

The study area is located within the Inhassoro and Vilanculos districts of the Inhambane Province, in southern Mozambique. The Inhambane Province comprises 12 districts, including the Inhassoro and Vilanculos districts and two city councils, which are the Inhambane City Council and Maxie City Council. The project infrastructure, with the exception of the southernmost section of the transmission line, falls within the District of Inhassoro. This district is located in the north of the Inhambane Province, approximately 360km from the provincial capital.

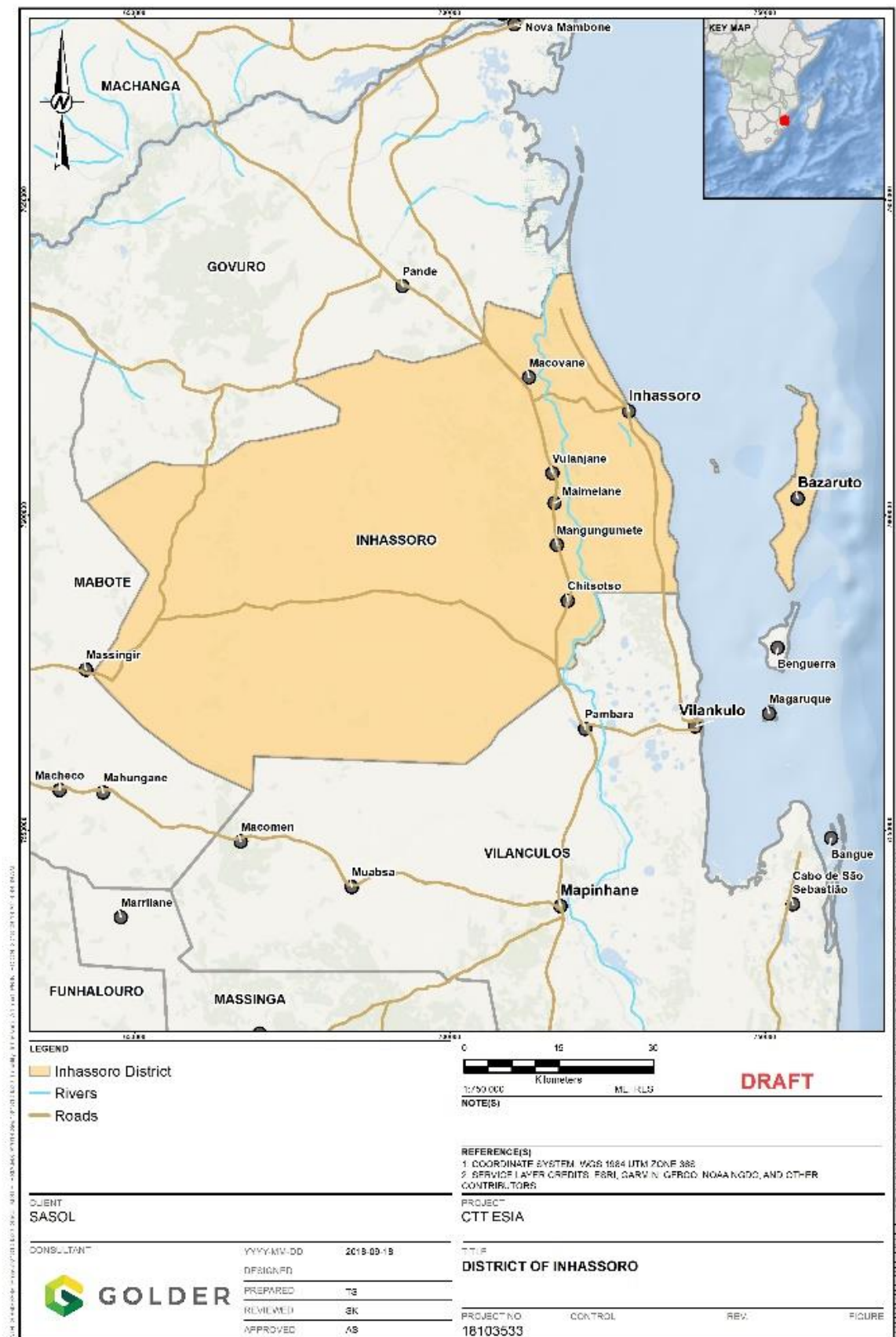


Figure 9: Map of the District of Inhassoro, Inhambane Province.

3.0 LEGAL FRAMEWORK REQUIREMENT

This section provides a summary of applicable policies, legislation, and guidelines relating to the stakeholder engagement process.

3.1 National legislation

The stakeholder engagement process for the proposed project will be undertaken in accordance with Mozambican legislation, and particularly in compliance with the requirements provided within the Regulations on the Environmental Impact Assessment Process (Decree No. 54/2015 of 31 December), the Guidelines for the Public Participation Process as part of the Environmental Impact Assessment (Ministerial Diploma No.130/2006 of 19 July) and the Environmental Regulations for Petroleum Activities (Decree 56/2010, of 22 November).

3.2 International standards

CTT is committed to complying with WB policies OP 4.03 – Performance Standards for Private sector activities (May 2013), the Equator Principles (Equator Principles, 2013), WB Performance Standards (IFC, 2012) and best practice guidelines for stakeholder engagement as prescribed by the International Association for Public Participation (IAP2). These requirements are summarised in sections 3.2.1 to 3.2.4.

3.2.1 Equator Principles

The Equator Principles are a set of principles that have been adopted by international finance institutions, known as the Equator Principles Financial Institutions (EPFIs). The principles have been adopted to ensure that EPFI's only fund projects that are or will be developed in a socially responsible manner reflecting sound environmental management practices. The EPFIs commit not to provide loans for projects where the borrower will not or is unable to comply with the respective environmental policies and procedures that implement the Equator Principles (www.equator-principles.com).

The Equator Principles primarily include and directly reference the IFC Performance Standards and WB general and industry specific environmental, health and safety guidelines. Key Equator Principles that are relevant to stakeholder engagement are:

■ Principle 5: Consultation and Disclosure

Affected communities should be consulted in a structured and culturally appropriate manner. For projects with significant adverse impacts on affected communities, the process will ensure their free, prior, and informed consultation and facilitate their informed participation to ensure that all the concerns of the affected community have been incorporated.

In order to accomplish this, the assessment documentation and action plan, or non-technical summaries thereof, will be made available to the public by the proponent for a reasonable minimum period in the relevant local language and in a culturally appropriate manner. The proponent will take account of, and document the process and results of the consultation, including any actions agreed to resulting from the consultation. For projects with adverse social or environmental impacts, disclosure should occur early in the assessment process and in any event before the project construction commences, and on an ongoing basis.

■ Principle 6: Grievance Mechanism

To ensure that consultation, disclosure and community engagement continues throughout the construction and operation of the project, the proponent will, scaled to the risks and adverse impacts of the project, establish a grievance mechanism as part of the management system. This will allow the proponent to receive and facilitate resolution of concerns and grievances about the project's social and environmental performance raised by individuals or groups from among project-affected communities. The proponent will inform the affected communities about the mechanism during its community engagement process and ensure that the mechanism addresses concerns promptly and transparently, in a culturally appropriate manner, and is readily accessible to all segments of the affected communities.

3.2.2 World Bank Performance Standards

WB PSs on social and environmental sustainability were developed by the IFC and were last updated on 1st January 2012. There are eight IFC PSs, as follows and summarised in sections 3.2.2.1 to 3.2.2.8:

3.2.2.1 Performance Standard 1: Assessment and management of environmental and social risks and impacts;

Performance Standard 1 establishes the importance of: (i) integrated assessment to identify the social and environmental impacts, risks, and opportunities of projects; (ii) effective community engagement through disclosure of project-related information and consultation with local communities on matters that directly affect them; and (iii) the management of social and environmental performance throughout the life of the project. According to the IFC PS 1 Guidance Notes, a SEP should:

- Describe regulatory, lender, company, and/or other requirements for consultation and disclosure;
- Identify and prioritise key stakeholder groups, focusing on affected communities;
- Provide a strategy and timetable for sharing information and consulting with each of these groups;
- Describe resources and responsibilities for implementing stakeholder engagement activities; and
- Describe how stakeholder engagement activities will be incorporated into a company's management system.

The indicators for successful engagement as per PS 1 can be viewed in Figure 10.

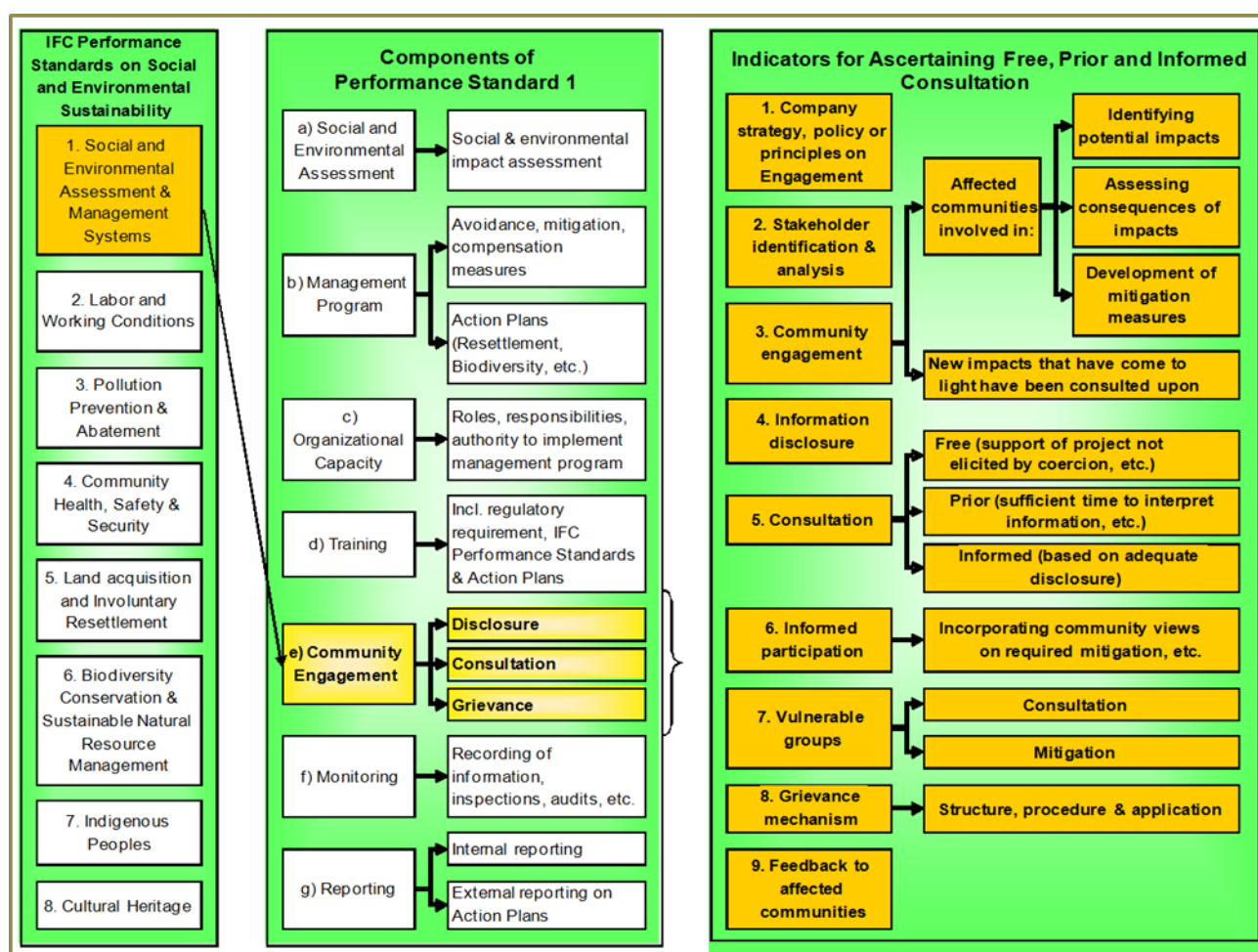


Figure 10: Indicators for successful engagement as per IFC Performance Standard 1

3.2.2.2 Performance Standard 2: Labour and working conditions;

Performance Standard 2 recognises that the pursuit of economic growth through employment creation and income generation should be accompanied by the protection of the fundamental rights of workers. For any business, the workforce is a valuable asset, and a sound worker-management relationship is a key ingredient in the sustainability of a company. Through a constructive worker-management relationship, and by treating the workers fairly and providing them with safe and healthy working conditions, clients may create tangible benefits, such as enhancement of the efficiency and productivity of their operations.

The requirements set out in this Performance Standard have been in part guided by a number of international conventions and instruments, including those of the International Labour Organisation and the United Nations. The objectives of Performance Standard 2 are to:

- promote the fair treatment, non-discrimination, and equal opportunity of workers;
- establish, maintain, and improve the worker-management relationship;
- promote compliance with national employment and labour laws;
- protect workers, including vulnerable categories of workers such as children, migrant workers, workers engaged by third parties, and workers in the client's supply chain;
- promote safe and healthy working conditions;
- the health of workers; and
- avoid the use of forced labour.

3.2.2.3 Performance Standard 3: Resource efficiency and pollution prevention;

Performance Standard 3 recognises that increased economic activity and urbanisation often generate increased levels of pollution of air, water, and land, and consume finite resources in a manner that may threaten people and the environment at the local, regional, and global levels. The objectives are to:

- To avoid or minimise adverse impacts on human health and the environment by avoiding or minimising pollution from project activities;
- To promote more sustainable use of resources, including energy and water; and
- To reduce project-related Green House Gases emissions.

3.2.2.4 Performance Standard 4: Community health, safety and security.

Performance Standard 4 recognises that project activities, equipment, and infrastructure can increase community exposure to risks and impacts. While acknowledging the public authorities' role in promoting the health, safety, and security of the public, this Performance Standard addresses the client's responsibility to avoid or minimise the risks and impacts to community health, safety, and security that may arise from project-related activities, with particular attention to vulnerable groups.

The level of risks and impacts described in this Performance Standard (4) may be greater in conflict and post-conflict areas. The risks that a project presents could exacerbate an already sensitive local situation and stress scarce local resources. The objectives of this performance standard are to:

- anticipate and avoid adverse impacts on the health and safety of the affected community during the project life from both routine and non-routine circumstances; and
- ensure that the safeguarding of personnel and property is carried out in accordance with relevant human rights principles and in a manner that avoids or minimises risks to the affected communities.

3.2.2.5 Performance Standard 5: Land acquisition and involuntary resettlement;

Performance Standard 5 recognises that project-related land acquisition and restrictions on land use can have adverse impacts on communities and persons that use this land. Involuntary resettlement refers both to physical displacement and to economic displacement as a result of the project-related land acquisition and/or restrictions on land use. Unless properly managed, involuntary resettlement may result in long-term hardship and impoverishment for the affected communities and persons, as well as environmental damage and adverse socio-economic impacts in areas to which they have been displaced. For these reasons, involuntary resettlement should be avoided. However, where involuntary resettlement is unavoidable, it should be minimised, and appropriate measures to mitigate adverse impacts on displaced persons and host communities should be carefully planned and implemented. The government often plays a central role in the land acquisition and resettlement process, including the determination of compensation, and is, therefore, an important third party in many situations.

The objectives of performance standard 5 are to:

- avoid, and when avoidance is not possible, minimise displacement by exploring alternative project designs;
- avoid forced eviction;
- anticipate and avoid, or where avoidance is not possible, minimise adverse social and economic impacts from land acquisition or restrictions on land use by (i) providing compensation for loss of assets at replacement cost and (ii) ensuring that resettlement activities are implemented with appropriate disclosure of information, consultation, and the informed participation of those affected;
- improve, or restore, the livelihoods and standards of living of displaced persons; and

- improve living conditions among physically displaced persons through the provision of adequate housing with security of tenure at resettlement sites.

3.2.2.6 Performance Standard 7: Indigenous peoples

Performance Standard 7 recognises that indigenous peoples, as social groups with identities that are distinct from mainstream groups in national societies, are often among the most marginalised and vulnerable segments of the population. In many cases, their economic, social, and legal status limits their capacity to defend their rights to, and interests in, lands and natural and cultural resources, and may restrict their ability to participate in and benefit from development. Indigenous peoples are particularly vulnerable if their lands and resources are transformed, encroached upon, or significantly degraded. Their languages, cultures, religions, spiritual beliefs, and institutions may also come under threat.

As a consequence, Indigenous peoples may be more vulnerable to the adverse impacts associated with project development than non-indigenous communities. This vulnerability may include loss of identity, culture, and natural resource-based livelihoods, as well as exposure to impoverishment and diseases.

Private sector projects can create opportunities for Indigenous peoples to participate in, and benefit from project-related activities that may help them fulfil their aspiration for economic and social development. Furthermore, Indigenous peoples may play a role in sustainable development by promoting and managing activities and enterprises as partners in development. The government often plays a central role in the management of indigenous peoples' issues, and clients should collaborate with the responsible authorities in managing the risks and impacts of their activities.

The objectives of this performance standard are to:

- ensure that the development process fosters full respect for human rights, dignity, aspirations, culture, and natural resource-based livelihoods of Indigenous peoples;
- anticipate and avoid adverse impacts of projects on communities of Indigenous peoples, or when avoidance is not possible, to minimise and/or compensate for such impacts;
- promote sustainable development benefits and opportunities for Indigenous peoples in a culturally appropriate manner;
- establish and maintain an ongoing relationship based on informed consultation and participation with the Indigenous peoples affected by a project throughout the project's lifecycle;
- ensure the Free, Prior, and Informed Consent (FPIC) of the affected communities of Indigenous peoples when the circumstances described in this Performance Standard are present; and
- respect and preserve the culture, knowledge, and practices of Indigenous peoples.

3.2.2.7 Performance Standard 8: Cultural heritage.

Performance Standard 8 recognises the importance of cultural heritage for current and future generations. Consistent with the Convention Concerning the Protection of the World Cultural and Natural Heritage, this Performance Standard aims to ensure that proponents protect cultural heritage in the course of their project activities. In addition, the requirements of this Performance Standard on a project's use of cultural heritage are based in part on standards set by the Convention on Biological Diversity.

The objectives of the Performance Standard are to:

- protect cultural heritage from the adverse impacts of project activities and support its preservation; and
- promote the equitable sharing of benefits from the use of cultural heritage.

3.2.3 The World Bank Group Environmental Health and Safety Guidelines

The environmental health and safety (EHS) Guidelines contain the performance levels and measures normally acceptable to the IFC and are generally considered to be achievable in new facilities at reasonable cost. When host country regulations differ from the levels and measures presented in the Environmental Health and Safety Guidelines, projects are expected to achieve whichever standard is more stringent.

3.2.4 International Association for Public Participation (IAP2)

IAP2 is an international organisation that was founded in 1990. It aims to promote values and best practices associated with public participation. It developed a set of core values and principles that are relevant to stakeholder engagement, as follows:

- The public should have a say in decisions about actions that affect their lives;
- Public participation includes the promise that the public's contribution will influence the decision;
- The public participation process communicates the interests as well as meets the process needs of all participants;
- The public participation process seeks out and facilitates the involvement of those potentially affected;
- The public participation process involves participants in defining how they participate;
- The public participation process provides participants with the information they need to participate in a meaningful way; and
- The public participation process communicates to participants how their input affected the decision.

4.0 PROJECT STAKEHOLDERS

For the purpose of the SEP, which is being compiled in compliance with the Mozambican regulatory requirements and in line with the WB PSs, stakeholders are defined as persons, groups, or communities external to the core operations of a project who may be:

- Affected by the project:
 - positively or negatively;
 - directly or indirectly, particularly those directly and adversely affected by project activities;
 - particularly if they may be disadvantaged or vulnerable; and / or
 - may be able to influence the outcome of the project because of their knowledge about the affected communities or political influence over them.
- Those with interest in the project.

The stakeholders' groups are listed in Table 2.

All stakeholder information will continue to be captured in a stakeholder database. This will cover contact details, location, meetings attended, documents received and participation in any other ESIA activities. The stakeholder database will also distinguish between primary and secondary affected people and interested people. As the ESIA proceeds and newly affected stakeholders are identified, these stakeholders will be added to the stakeholder database with the purpose of being consulted beyond the ESIA.

4.1 Stakeholder identification and mapping

This section describes the primary and secondary stakeholders and their classification into categories or groups.

The following steps were followed to identify the local primary and secondary-level stakeholders impacted by the proponent:

- i. **Identification:** Stakeholders were identified using data captured in reports generated in the area by various proponents, undertaking stakeholder mapping exercises, by method of referral, consultation meetings and internet research.
- ii. **Assessment:** A second step was to assess proponent's impacts on these key stakeholders as well as their impacts on CTT and its operations. Prioritising these key stakeholder groups will create a focused approach towards engagement and will ensure that proponent's resources are optimally utilised (see Table 2).
- iii. **Mapping:** These stakeholders have been geographically mapped around CTTs operations and are indicated in Table 1.

Table 1: Identification of potential issues and mitigation measures as part of the stakeholder mapping process

Potential issues	Potential mitigation measures
Consultations to underpin the IFC PS principle of FPIC	<ul style="list-style-type: none"> ■ Consultation documents must be translated into the local language (Portuguese and Xitsua); ■ Time must be given to enable a proper analysis of the documents; ■ Feedback sessions are necessary to ensure that the demands of the affected communities are properly addressed; and ■ A detailed timetable must be produced for the implementation of social projects.
Adverse health, social and environmental impacts	<ul style="list-style-type: none"> ■ Environmental Impact Studies are crucial so as to determine potential adverse impacts and to identify suitable mitigation measures prior to the development of the project; and ■ Impact assessment information must be made available to the public.
Lack of feedback to communities after review by decision-makers	<ul style="list-style-type: none"> ■ Ensure that feedback meetings are planned for and carried out, particularly after important decision-making milestones such as the authority review of the Terms of Reference (ToR), final ESIA document and IFC review.

Table 2: CTT Stakeholder groups

Stakeholder group	Stakeholder
Decision-Makers / Regulators	
Government – National	<ul style="list-style-type: none"> ■ Ministry of Land, Environment and Rural Development; ■ Ministry of Mineral Resources and Energy; ■ Ministry of Economy and Finance;

Stakeholder group	Stakeholder
	<ul style="list-style-type: none"> ■ Ministry of Agriculture and Food Security; ■ Ministry of Public Works, Housing and Water Resources; ■ Ministry of the Sea, Inland Waters and Fisheries; ■ Ministry of Culture and Tourism; ■ Ministry of Transports and Communications; ■ Ministry of Labour, Employment and Social Security; ■ National Agency for Environment Quality Control (AQUA); ■ National Directorate of Environment (DINAB); ■ National Directorate of Territorial Planning and Resettlement; ■ National Directorate of Agrarian Services; ■ National Directorate of Land and Forestry; ■ National Directorate for Conservation Areas; ■ National Directorate of Geology; ■ National Institute of Geology and Mines; and ■ National Institute for Disaster Management.
Inhambane Provincial Government	<ul style="list-style-type: none"> ■ Office of the Provincial Governor; ■ Provincial Directorate of Land, Environment and Rural Development; ■ Provincial Directorate of Mineral Resources and Energy; ■ Provincial Directorate of Public Works, Housing and Water Resources; ■ Provincial Directorate of Agriculture and Food Security; ■ Provincial Directorate of Fisheries; ■ Provincial Directorate of Sea, Inland Waters and Fisheries; ■ Fisheries Research Institute- Provincial Delegation; ■ Provincial Directorate of Industry and Commerce; ■ Provincial Directorate of Labour, Job and Social Safe; ■ Provincial Directorate of Transport and Communications; ■ Provincial Directorate of Women and Social Action; ■ Provincial Directorate of Health; ■ Provincial Directorate of Tourism; and ■ Maritime Administration.
District Level Government	<ul style="list-style-type: none"> ■ Inhassoro District Administrator; ■ District Permanent Secretary; ■ District Command of Policy (PRM); ■ District Services of Economic Activities; ■ District Services of Education, Youth and Technology; ■ District Services of Health, Woman and Social Affair; ■ District Services of Planning and Infrastructures; ■ Administrative Post of Bazaruto; ■ Administrative Post of Inhassoro; ■ Administrative Post of Vilankulo; and ■ Maritime Administration from Vilankulo.
Interest Group	

Stakeholder group	Stakeholder
Public, private companies, agencies and financial institutions (national & provincial level)	<ul style="list-style-type: none"> ■ Matola Gas Company; ■ World Bank; ■ National Road Administration (ANE); ■ ARA-Sul; and ■ Beira Port companies Authority (e.g. Beira).
Environmental Interest Groups	<ul style="list-style-type: none"> ■ FNP - Forum for Nature in Danger; ■ WWF Mozambique; ■ EWT (Endangered Wildlife Trust); ■ National Administration of Conservation Areas (ANAC); ■ Centro Terra Viva; and ■ African Parks.
Locally Affected People: Primary Stakeholders	
Local leaders	<ul style="list-style-type: none"> ■ Villages leaders appointed by the government; ■ Traditional authorities, chiefs and leaders; ■ Religious or educational leaders; ■ Igreja Metodista Unida de Moçambique; and ■ Influential people.
Affected individuals	<ul style="list-style-type: none"> ■ Men, women, children, youth, elderly, and disabled within the study area.
Local institutions and service providers in the Study area of Influence	<ul style="list-style-type: none"> ■ Educational and health services.
Vulnerable groups	<ul style="list-style-type: none"> ■ Women ■ Low income groups (these could include child-headed households) ■ Disabled people; and ■ Elderly people.
Local business/ companies.	<ul style="list-style-type: none"> ■ Business owners (onshore, offshore and from Bazaruto Archipelago); and ■ Fisheries Association: Vilanculos.
Local NGOs, conservation entities and civil society organisations	<ul style="list-style-type: none"> ■ Livaningo; ■ AMAVIL (Associação dos Amigos de Vilankulo); ■ Forum Turismo de Vilankulo; ■ Plataforma dos Recursos Naturais e Indústria Extractiva; ■ Associação para Investigação Costeira e Marinha; and ■ Associação Tomba Yedo (Ilha de Bazaruto).
Community Based Organisations.	<ul style="list-style-type: none"> ■ Local organisations representing key interest groups within the community.
<ul style="list-style-type: none"> ■ Academic / Research Organisations 	

Stakeholder group	Stakeholder
Academic / research organisations	<ul style="list-style-type: none"> ■ Institute for the Development of Small-Scale Fisheries (IDPPE); ■ Fisheries National Research Institute (IIP); ■ Eduardo Mondlane University; ■ Institute of Science and Technology of Mozambique; ■ Gestão das Zonas Costeiras - Xai-Xai; ■ Centre for Public Integrity; ■ Natural History Museum; and ■ Universidade Católica de Moçambique.

In addition to the local stakeholders, there are a range of other internal stakeholders, as well as national and international stakeholders that are dealt with as part of the plan. The other key stakeholder groups are:

- Shareholders;
- CTT employees;
- CTT contractors/subcontractors;
- Business partners;
- Suppliers;
- Customers;
- International NGOs;
- Media; and
- Stakeholder Forum.

Stakeholder Forum:

A stakeholder forum composed of the proponent, government and community representatives should be formed. The forum members will be responsible for sharing information and issues with affected and interested stakeholders within their sector.

4.2 Classification of CTT primary and secondary stakeholder groups

As part of this SEP, primary and secondary stakeholders have been categorised into three groups namely:

- 1) Stakeholders who are affected by CTT's operations;
- 2) Stakeholders who are likely to influence CTT's operational performance; and
- 3) Stakeholders whom CTT will have legal responsibilities.

4.2.1 Stakeholders affected by CTT operations

These stakeholders include:

- CBOs;
- Interest Groups;
- CSR beneficiaries;
- Local leaders;
- Stakeholder forum;
- National Government;
- District Government;

- Contractors; and
- Employees.

4.2.2 Stakeholders who are likely to influence CTT's Operational Performance

Included here are the:

- Media;
- Stakeholder Forum;
- Industry Players;
- Inhambane Provincial Government;
- District Level Government;
- Shareholders;
- Suppliers;
- Unions; and
- Local leaders.

4.2.3 Stakeholders to whom CTT will have legal responsibilities:

Included in this category of stakeholders, are the:

- Contractors;
- Employees;
- Shareholders;
- Suppliers;
- Unions;
- Local leaders;
- District Government; and
- National Government.

Figures 12 to 14 provide an assessment of stakeholders impacted by the proposed project by analysing the potential impact against the influence of stakeholders. Influence refers to the power that the stakeholders could have in relation to decisions either taken by or affecting the proponent. This power may be in the form of formal control over a decision-making process, or it can be informal in the sense of hindering or facilitating the proponent's performance. *Impact* refers to both the level of impact that the project may have on stakeholders in terms of the environment, social, economic, etc., as well as the impacts stakeholders may have on the project in terms of performance and compliance.

Figure 12 indicates the relative scale of the impact of the stakeholders by showing dots to demonstrate a higher or lower level of impact.

The matrices indicate that the Inhambane Provincial Government, Inhassoro District Government, national government, local leaders, NGOs, interest groups, local government as well as internal stakeholders such as employees, unions, contractors and suppliers may have the biggest influence and would require the proponent

to invest in engagement processes to understand key concerns. A good understanding of these stakeholders' key concerns will enable the proponent to consider, and where possible, address such concerns while the company secures its social licence to operate.

Figure 13 suggests practical approaches to strategic stakeholder engagement.

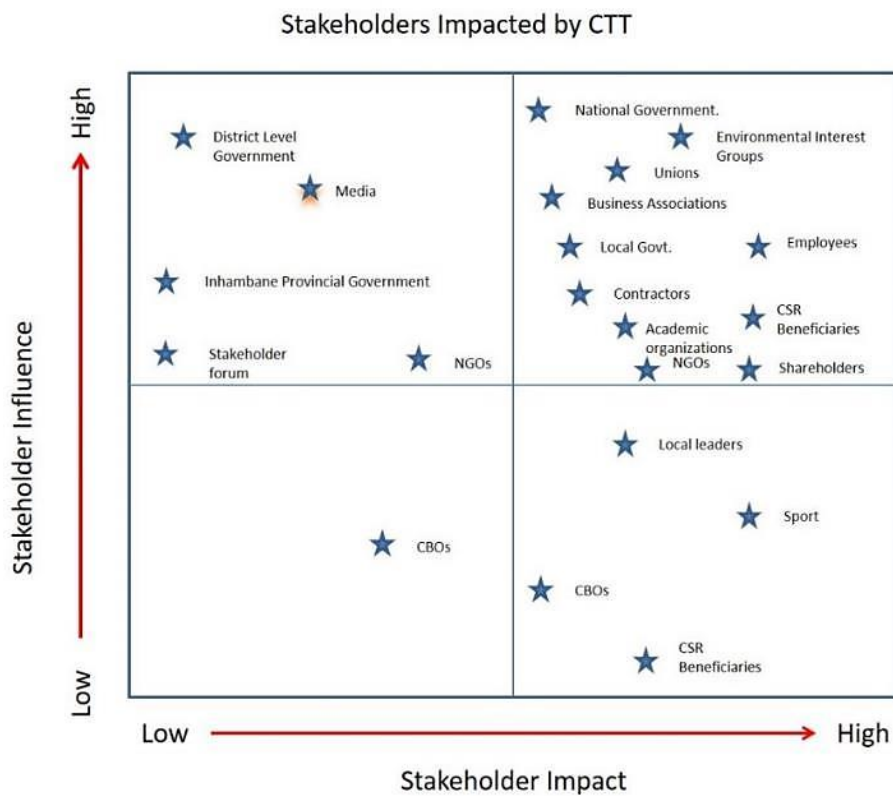


Figure 11: Assessment of the impact of stakeholders

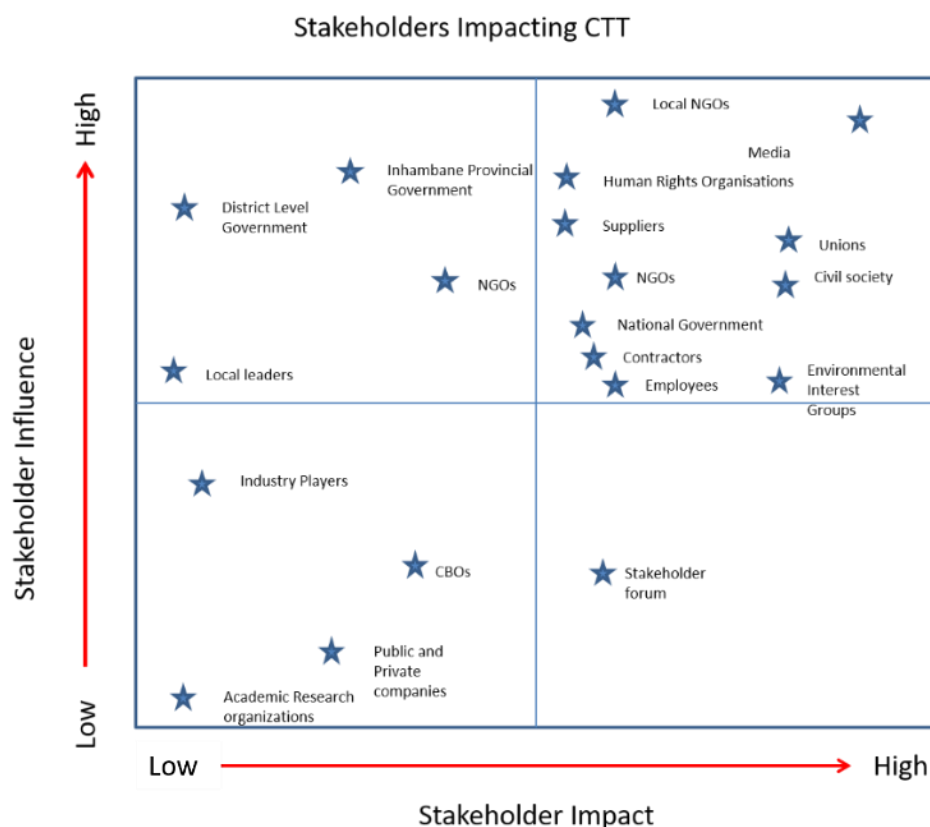


Figure 12 : Assessment of the influence of stakeholders

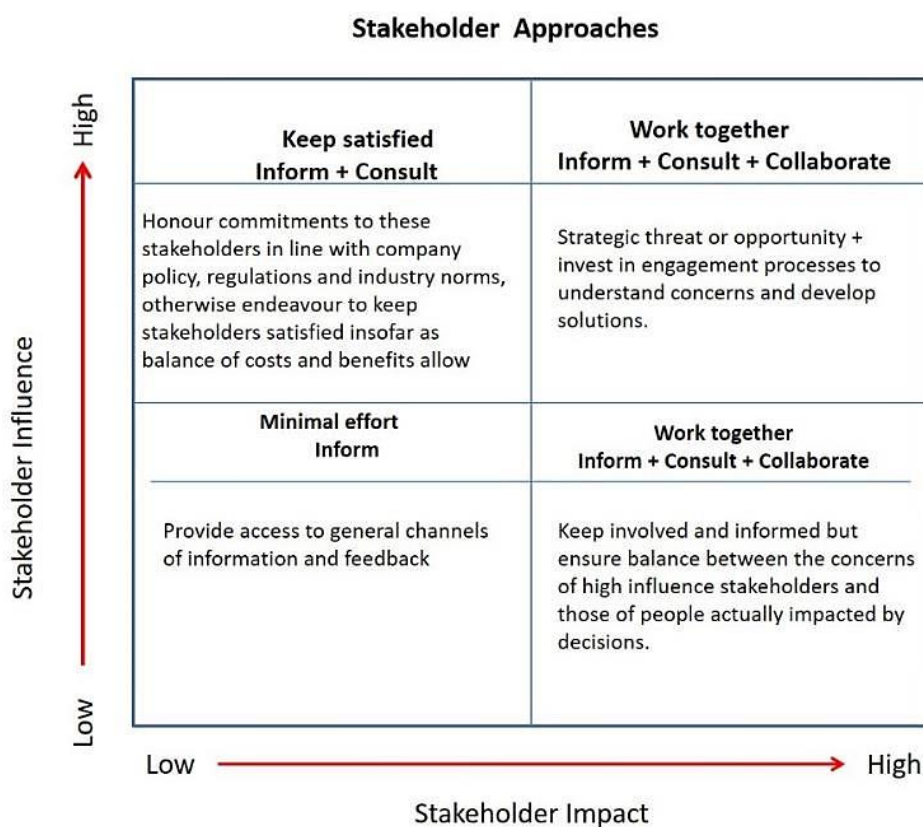


Figure 13: Overall stakeholder engagement approaches

As indicated by Figure 14, practical approaches for strategic stakeholder engagement will need to include commitments by the proponent to honour commitments made, e.g. if an undertaking has been given at a public meeting to provide the draft minutes within a certain timeframe, the timeframe needs to be honoured. Communication with stakeholders during an environmental authorisation process such as an ESIA should be aligned to the overarching communication strategy of the proponent and vice versa. Furthermore, stakeholders should be kept abreast of progress and information provided continuously and timely as to how the issues, questions, concerns and contributions of local knowledge have been considered in the environmental or technical specialist studies.

5.0 PROJECT-AFFECTED PEOPLE

As indicated in section 1, the study area is located within the Inhassoro and Vilanculos districts of the Inhambane Province, in southern Mozambique. The Inhambane Province comprises 12 districts, including the Inhassoro and Vilanculos districts and two city councils, namely the Inhambane City Council and Maxixe City Council.

Along the coast, adjacent to the study area there are several settlements, including families settled in fishing camps. Although families in the study area are mostly clustered in villages, there are also new isolated settlements along the roads and older houses scattered between villages and roads linked by paths.

The IFC Guidance Note states that, when the stakeholder engagement process depends substantially on community representatives (for example, community and religious leaders, local government representatives, civil society representatives, politicians, school teachers, and/or others representing one or more affected stakeholder groups) the client will make every reasonable effort to verify that such persons do in fact represent the views of the affected communities and that they can be relied upon to faithfully communicate the results of consultations to their constituents.

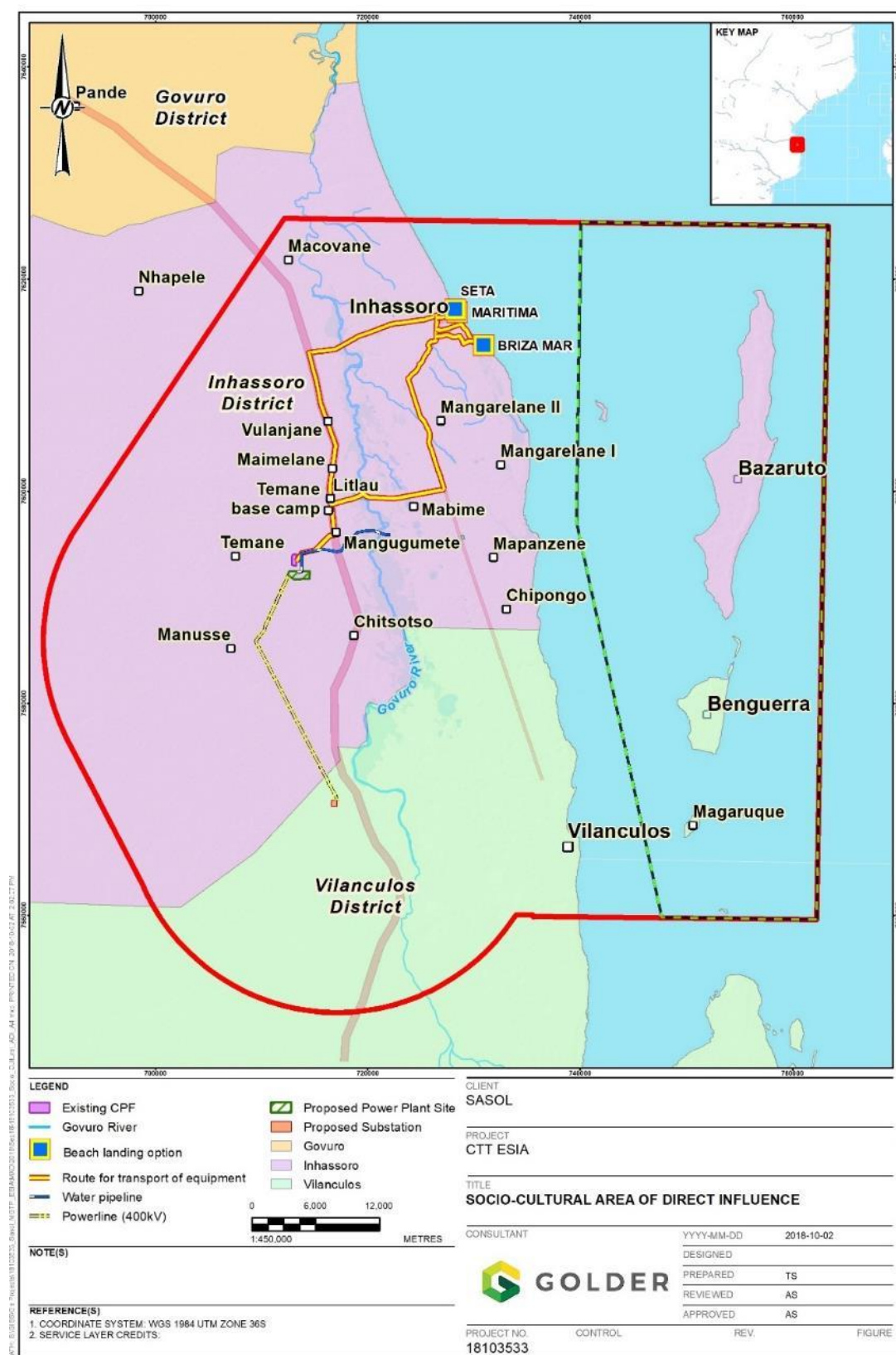


Figure 14: Villages within the Study area of influence

6.0 STAKEHOLDER ENGAGEMENT PROGRAMME

6.1 Approach to engagement

The WB Guidance Note states that, *where applicable, the Stakeholder Engagement Plan will include differentiated measures to allow the effective participation of those identified as disadvantaged or vulnerable.*

Importantly, all community meetings planned with local leaders and local communities will be discussed with the local / district government administration to ensure they are informed of such meetings, and that the method of consultation is acceptable to them. Second, all community meetings will be arranged in advance with the chiefs and other stakeholders; will take place in their local language; will be accompanied by visual materials and hand-outs; and will be documented (photos/video, completion of attendance registers and note-taking).

Meetings and contact with stakeholders will be conducted in a culturally appropriate manner as stipulated in the WB guidelines. Consultants supporting the engagement process will be guided by Sasol's and EDM's social managers regarding local customs and traditions.

Specific dates for meetings will be determined in consultation with stakeholder organisations and local stakeholders. Scheduling will take into consideration possible taboo and festival days in the communities. Meetings will be held at venues easily accessible to stakeholders. All meetings will be facilitated by a stakeholder engagement specialist. Written and visual materials will be used to support discussions. Comments and issues raised will be captured and categorised in a database.

Table 3 drawn from the *Accountability's Practitioner's Handbook on Stakeholder Engagement*, provides guidelines on levels and forms of stakeholder engagement.³ It confirms that stakeholder engagement is both multi-faceted and needs to be flexible throughout the ESIA process. Effective engagement typically combines approaches - from informing to activities such as consultation or collaboration. The descriptions of the different forms of engagement set out in Figure 9 should be seen as a guide to the proponent's actions during the completion of the ESIA, the activities to be undertaken prior to project approval and implementation include:

- Formal announcement of the project to all stakeholders;
- Announce availability of a draft scoping report for public review;
- Announce availability of draft ESIA for public review;
- Submission of the final ESIA report and make available for public review;
- Announce decision from authorities; and
- Should the project be approved, stakeholders will be engaged throughout the implementation process, and grievance platform will be in place to capture all issues and concerns related to project activities.

Table 3: Guidelines: Levels of stakeholder engagement

Level of Engagement
Inform GOAL: Inform or educate stakeholders COMMUNICATION: One way: company to stakeholder, there is no invitation to reply. A short or long-term relationship with stakeholders. NATURE OF RELATIONSHIP: "We will keep you informed."

³ https://ccednet-rdec.ca/sites/ccednet-rdec.ca/files/the_stakeholder_engagement_manual_-_volume_2.pdf

Level of Engagement

ENGAGEMENT APPROACHES: Bulletins and letters. Brochures, reports, and websites. Speeches, conference, and public presentations. Open houses and facility tours. Road shows and public displays. Press releases, press conferences, media advertising, lobbying.

Transact

GOAL: Work together in a contractual relationship where one partner directs the objectives and provides funding.

COMMUNICATION: Limited two-way: setting and monitoring performance according to the terms of contract.

Relationship terms set by contractual agreement.

NATURE OF RELATIONSHIP: "We will do what we said we would" or "we will provide the resources to enable you to do what we agree".

ENGAGEMENT APPROACHES: 'Public Private Partnerships' and Private Finance Initiatives, Grant-making, cause related marketing.

Consult

GOAL: Gain information and feedback from stakeholders to inform company decisions.

COMMUNICATION: Limited two-way: company asks questions, and the stakeholders answer. Short- or long-term involvement.

NATURE OF RELATIONSHIP: "We will keep you informed, listen to your concerns, consider your insights, and provide feedback on our decision."

ENGAGEMENT APPROACHES: Surveys. Focus Groups. Workplace assessments. One-to-one meetings. Public meetings and workshops. Standing stakeholder advisory forums. On-line feedback and discussion.

Involve

GOAL: Work directly with stakeholders to ensure that their concerns are fully understood and considered in decision-making.

COMMUNICATION: Two-way, or multi-way between company and stakeholders. Learning takes place on both sides. Stakeholders and company take action individually.

NATURE OF RELATIONSHIP: May be a one-off or longer-term engagement. "We will work with you to ensure that your concerns are understood, to develop alternative proposals and to provide feedback about how stakeholders' views influenced the decision-making process".

ENGAGEMENT APPROACHES: Multi-stakeholder forums. Advisory panels. Consensus building processes. Participatory decision-making processes.

Collaborate

GOAL: Partner with or convene a network of stakeholders to develop mutually agreed solutions and joint plan of action.

COMMUNICATION: Two-way, or multi-way between company/companies and stakeholders. Learning, negotiation, and decision-making on both sides. Stakeholders work together to take action.

NATURE OF RELATIONSHIP: Long-term. "We will look to you for direct advice and participation in finding and implementing solutions to shared challenges."

ENGAGEMENT APPROACHES: Joint projects, voluntary two-party, or multi-stakeholder Initiatives, Partnerships.

Empower

GOAL: Delegate decision-making on a particular issue to stakeholders

COMMUNICATION: New organisational forms of accountability: stakeholders have a formal role in the governance of an organisation or decisions are delegated out to stakeholders.

NATURE OF RELATIONSHIP: Long-term. "We will implement what you decide".

Level of Engagement

ENGAGEMENT APPROACHES: Integration of stakeholders into Governance Structure. (E.g. as members, shareholders or on particular committees, etc.)

PS 1 further stipulates that stakeholder consultation should include elements of capacity building to ensure the process is considered “free, prior and informed”. This will be done by:

- Providing accessible and adequate information without creating undue fears (related to potential negative impacts) or expectations (regarding jobs);
- Including visual illustrations and verbal explanations for illiterate stakeholders; and
- Using local languages and small groups to ensure stakeholders do not feel intimidated.

The consultation will provide vulnerable groups with equal opportunities to participate by:

- Giving special effort to identify disadvantaged or vulnerable groups; and
- Providing transportation and or subsidies for the vulnerable poor to ensure their participation does not come at the expense of their livelihoods.

6.2 Stakeholder engagement during the ESIA

The stakeholder engagement process for the ESIA will be conducted in Portuguese and Xitsua with selected materials available in Portuguese. The objectives of an ESIA stakeholder engagement are as follows:

During scoping/terms of reference:

This phase has already been completed, the aim was:

- To provide sufficient and accessible information to enable stakeholders to:
 - Understand the context of this ESIA in terms of the standards in Mozambique;
 - Become informed and educated about the proposed project and its potential impacts;
 - Identify issues of concern, suggestions for enhanced benefits and commenting on alternatives; and contribute local knowledge and experience.

During the Impact Assessment Phase:

The aim of this phase will be:

- To verify that their issues and suggestions have been evaluated and addressed with feedback;
- To comment on the findings of the ESIA and proposed measures to mitigate and/or manage impacts; and
- To identify further issues of concern from the results of the ESIA.

After the regulator has decided about the proposed project

- Provide stakeholders with the outcome of the authorities' record of decision.

6.3 Stakeholder engagement during construction and operation phase

One way to help satisfy stakeholder concerns and promote transparency is to involve project-affected stakeholders during the construction and operation phase.

Stakeholder engagement during the construction phase will relate to all activities leading up to and during the physical construction of facilities, infrastructure, or buildings (and the “temporary works” needed to complete construction, such as access roads), as well as the management of contractors and construction contracts. The key activities recommended to manage the construction phase include:

- Identify stakeholders most likely to be affected by construction;
- Notify local stakeholders of construction activities and changes to schedules;
- Get community liaison staff on the ground quickly;
- Aim for rapid response times in resolving grievances;
- Report to stakeholders on the progress of environmental and social management programmes;
- Choose contractors with the capacity to engage effectively with stakeholders; and
- Manage risks to stakeholder relations from contractors.

The transition from construction to operations brings with it many changes. The phase with the greatest physical activity and potential for impacts is over, and typically the number of grievances and frequency of engagement with stakeholders may decrease, along with a reduction in overall employee and contractor workforce. Change of personnel (including contractors) during the actual period of transition can adversely affect ongoing stakeholder relationships and needs to be carefully managed to ensure continuity in relationships. The key activities recommended to manage the operation phase include:

- Manage the transition from construction to operations;
- Periodically review and update stakeholder information;
- Consider ways to assess stakeholder perceptions;
- Continue to disclose, consult, and report to stakeholders as needed;
- Ensure the integration of ongoing stakeholder commitments into operations management systems;
- Communicate emergency preparedness and response plans on a regular basis;
- Keep CTT grievance mechanism operational; and
- Consider establishing a participatory or third party monitoring programme;

7.0 TIMETABLE

The approximate dates for the key stakeholder engagement dates are provided below.

Table 4: Stakeholder engagement timetable during the ToR and ESIA phase

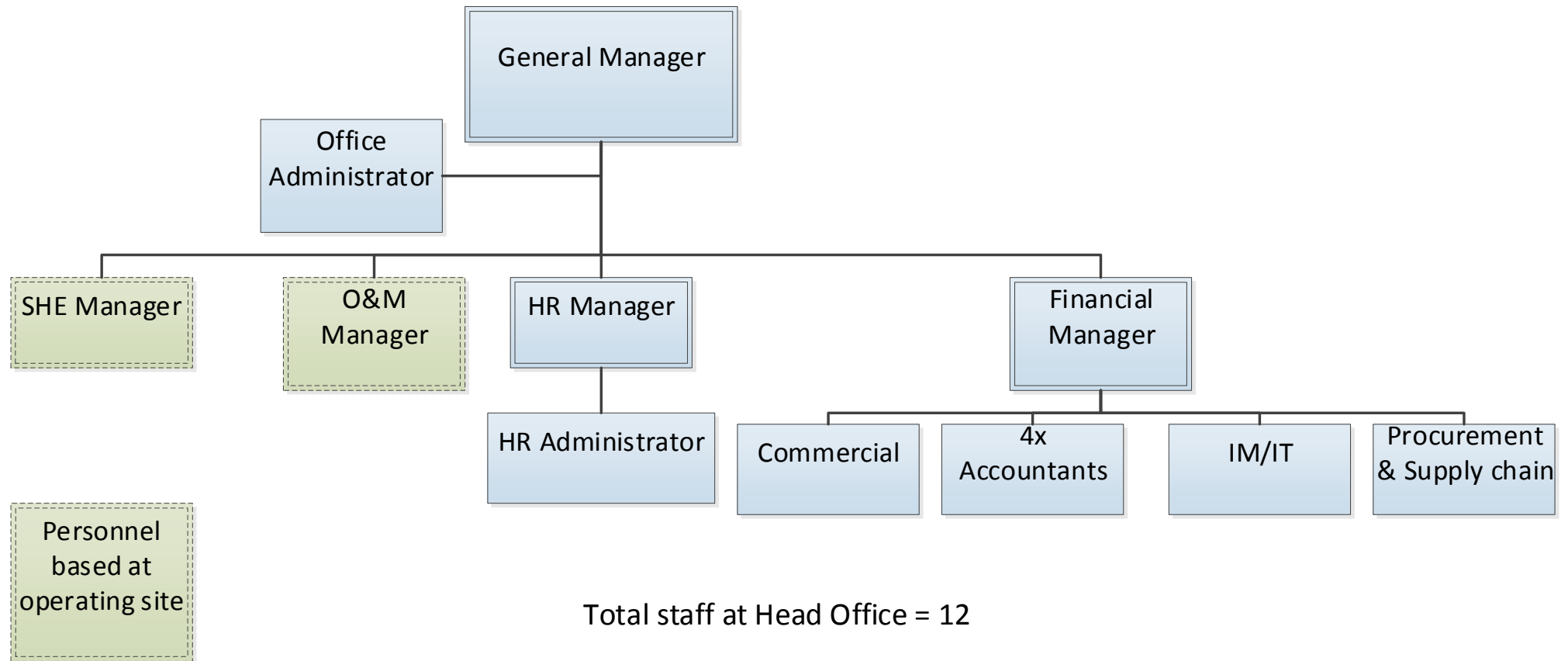
Task	Proposed Dates
ToR Consultation.	This has already been completed (early 2015).
Impact Assessment Phase Consultation.	End of First Quarter 2019.
Decision feedback.	This should occur only once MITADER has reviewed the ESIA report. There is no regulatory requirement to inform stakeholders of MITADER’s decision, but it will be undertaken in line with international best

Task	Proposed Dates
	practices to keep stakeholders informed and maintain transparency and confidence in the engagement process.

8.0 RESOURCES AND RESPONSIBILITIES

Golder, supported by the CTT stakeholder engagement team and other facilitators, will be principally responsible for implementing the public consultation process for the ESIA.

CTT resources that will be involved in the engagement process are shown in Figure 15.

Operational Phase Organogram:**Figure 15: CTT head office operational phase organogram**

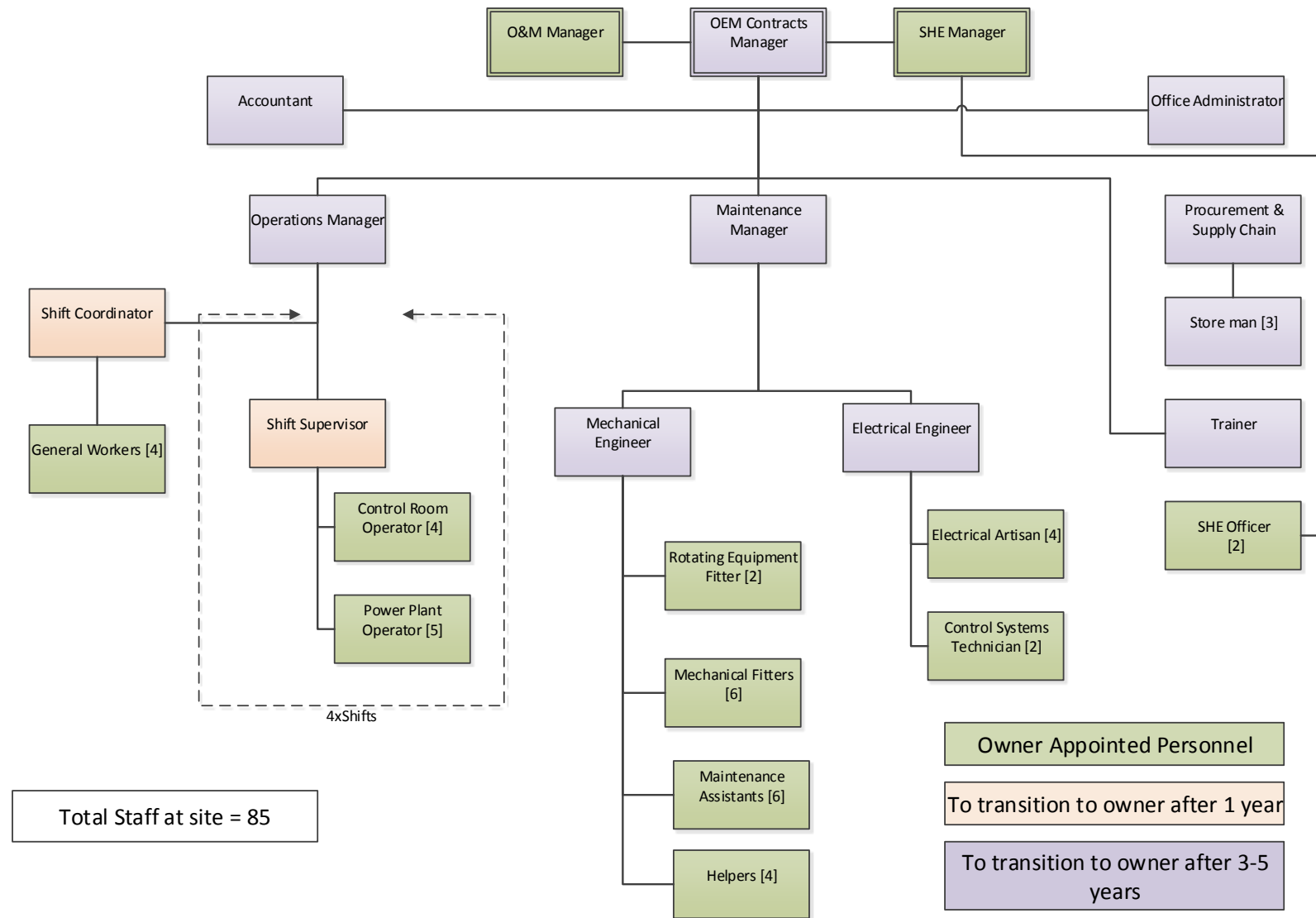


Figure 16: CTT plant operational phase organogram

9.0 GRIEVANCE REDRESS MECHANISM

9.1 Overview

PS 1 and Equator Principles state that where there are affected communities, the client will establish a Grievance Redress Mechanism to receive and facilitate resolution of affected communities' concerns and grievances about the client's environmental and social performance. The grievance mechanism should be scaled to the risks and adverse impacts of the project and have affected communities as its primary user. It should seek to resolve concerns promptly, using an understandable and transparent consultative process that is culturally appropriate and readily accessible, and at no cost and without retribution to the party that originated the issue or concern. The mechanism should not impede access to judicial or administrative remedies. The client will inform the affected communities about the mechanism during the stakeholder engagement process.

The objective of a Grievance Redress Mechanism (GRM) in terms of PS 1 is to: *“respond to communities’ concerns related to the project.... to receive and facilitate resolution of the affected communities’ concerns and grievances about the project’s environmental and social performance”*.

The usefulness of a GRM is dependent on how swiftly issues can be resolved. Therefore, at the first tier, Project-Affected Persons must be informed of the existence of the grievance mechanisms and the procedure for lodging, discussing, and resolving project-related complaints. A GRM must be designed in accordance with local social and cultural norms to comply with the requirement that such a procedure must be readily accessible to all segments of the affected communities and at no cost and without retribution. In a resettlement context, it is particularly important to note that the GRM should not impede access to judicial or administrative recourse.

The Mozambican legal system is a civil law legal system, the statute being its primary source of law.

Civil procedure in Mozambique is predominantly governed by the Mozambican Code of Civil Procedure, which dates from 1961, though it has been subsequently amended.

In law and in practice, disputes involving rural communities are primarily resolved through a participatory approach, which includes consultation, mediation, and arbitration. The 2004 Constitution recognised legal pluralism, and both statutory law and custom incorporate these methods.

As a first step towards conciliation, the land laws and the Resettlement Decree prescribe several consultations between project and land rights holders. These laws create mechanisms for participation in natural resource management, conflict resolution, boundary determinations, mapping (requiring consensus; Technical Annex), proving the legitimacy of claims as well as verification and consultation by and with neighbours (Land Law, Article 13 and 24, Regulations, Article 27). As a matter of law, customary norms and practices may be used to this end.

The project grievance procedures will be accessible to any affected community member or aggrieved party. These procedures will be adapted to incorporate input from affected communities where applicable and in keeping with the law.

There are various avenues aggrieved parties can follow to access the legal system:

- The Law on Extra-Judicial Conflict Management (Arbitration Law, Law no. 11/99, of 8 July) recognises conciliation, mediation, and arbitration as tools for conflict resolution. This is in keeping with the practice of a participatory approach, which affords relative flexibility, and ease of access to justice. This is generally considered the more desirable way to resolve disputes between investors and communities. Although arbitration does not usually afford appeal opportunities, both parties may have input in the choice of the adjudicating chair(s), and it is possible to refer an arbitration award to a Judicial Court in connection with an application for setting aside or enforcing the arbitral award;

- The Judicial Courts system applies formal law and has an adversarial nature (winners and losers). In terms of the Law of the Judicial Organisation, Law no. 24/2007, of 10 August (*Lei da Organização Judiciária*) the District Judicial Courts would be the courts of first instance, followed by the Provincial Judicial Courts that can adjudicate appeals from the District Judicial Courts, the Superior Courts of Appeal and finally the Supreme Court that can adjudicate appeals from the lower courts;
- If the matter in dispute relates purely to an administrative decision taken by the Government in respect of the project, the Administrative Court could be approached to seek judicial review of the decision; and
- The Community Courts established by Law 4/92, of 6 May creates a system of unofficial justice. In Cabo Delgado, these courts are especially active and apply customary law, though in compliance with the Constitution. These courts are, however, not linked to the formal judicial courts system, and do not have appellate jurisdiction.

The 2004 Constitution, Article 81 introduced the right to class action, allowing citizens to seek indemnity for and protection of environmental and cultural heritage. Complementary legislation has yet to be passed to facilitate class actions.

9.2 Objective

The GRM will have the following aims:

- To provide affected people with straightforward and accessible avenues for making a complaint or seeking resolution of any dispute that may arise during resettlement;
- To ensure that each complaint is investigated and where warranted, appropriate and timely corrective action is taken; and
- To provide a vehicle for mediation and settlement of disputes or conflicts when they arise.

The avenues for making a complaint will be widely publicised in communities within and around the study area. To ensure the effectiveness of the grievance redress procedure, it is essential to have the input and buy-in of the affected communities.

9.3 Outline of the GRM

9.3.1 Public disclosure of the GRM

The announcement of the presence of a GRM will be made during the stakeholder consultation process. The format of the procedure has been kept simple for it to be clear and easy to understand. The following are the main aspects of the proposed mechanism.

9.3.2 Resources and responsibilities

An external and independent Grievance Officer (also referred to as Community Liaison Officer) will be appointed who is familiar with social management processes and trained in the management and resolution of community concerns and conflict.

A Grievance Officer must be an impartial facilitator, an honest broker between the affected communities and the client (and should be endorsed by the community). This is especially important for the building of trust and to ensure that valid concerns and grievances are raised effectively and timeously.

A Social Reconciliation Committee will be formed comprising representatives of local communities. Social Reconciliation Committee members will represent all demographic sectors of the community and will work with the Grievance Officer to address concerns and complaints.

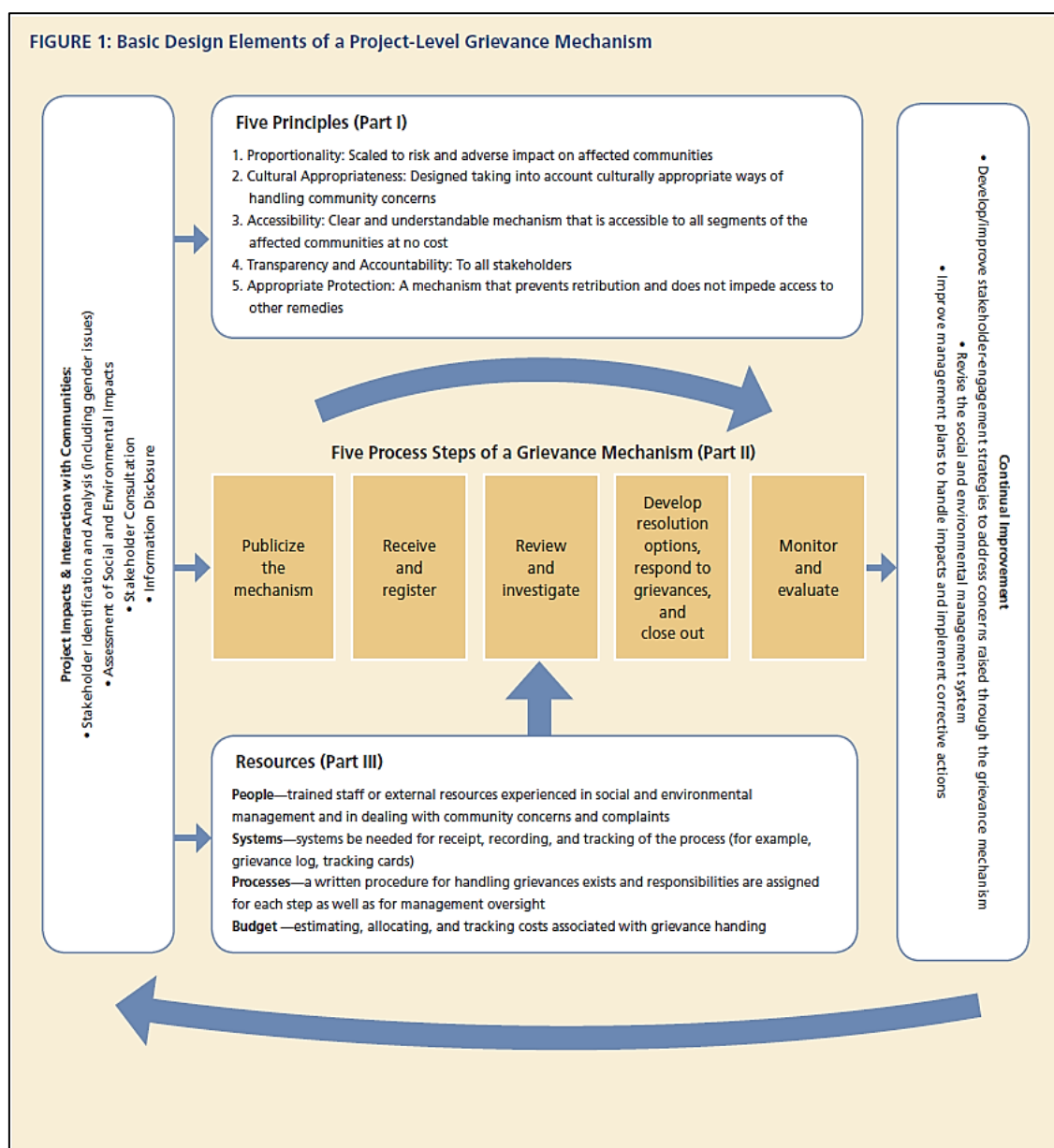


Figure 17: Basic design elements of a project-level grievance redress mechanism. ⁴

9.3.3 The GRM process

The GRM process will comprise three tiers, namely:

- **Tier 1** – the internal GRM process (carried out by Senior CTT representatives and the Senior Review Committee);
- **Tier 2** – Senior Committee Review carried out by Senior CTT representatives (Heads of Environment and Communities or higher), local traditional governance, an independent mediator for the grievance process; and
- **Tier 3** – Judicial review through the magistrates' courts and higher as necessary.

⁴<https://www.ifc.org/wps/wcm/connect/cbe7b18048855348ae6cfe6a6515bb18/IFC%2BGrievance%2BMechanisms.pdf?MOD=AJPERES&CACHEID=cbe7b18048855348ae6cfe6a6515bb18>

Any member of the public will be able to submit a complaint, verbally or in writing to the CTT Grievance Officer directly or to the Senior Review Committee, local traditional governance representative or Community Liaison Officer. The Senior Review Committee, local traditional governance representative or Community Liaison Officer will need to inform the CTT Grievance Officer immediately upon receiving a complaint. In practice, this implies that the CTT Grievance Officer will liaise between these bodies on a regular basis.

The Grievance Officer will record the complaint and inform the Senior Review Committee of the complaint (if not done already), indicate to the complainant that the complaint has been received and set a date on which the matter will be discussed between the Grievance Officer, Senior Review Committee, and the complainant. The purpose of the discussion is to investigate the matter and find an amicable, appropriate, and acceptable resolution of the matter in the first instance, by means of an informal (non-aggressive) mechanism. The Grievance Officer will acknowledge receipt of the complaint in writing and explain (in writing or verbally whichever is more appropriate) in brief the process of redress that will be followed.

If necessary, during the discussions, once additional details are obtained on the nature of the complaint, CTT, the complainant and the Senior Review Committee will investigate the matter as appropriate (e.g. physically inspect a complaint about damage to crops).

If the grievance is resolved and a resolution agreed – the complainant will need to indicate in writing that they are satisfied with the outcome. If the complainant is not satisfied, the matter will be referred to the 2nd tier of the GRM.

Tier 2

For matters that are not resolved at the first tier and/or are serious enough to warrant a review and consideration by a higher structure, the grievance will be escalated to the senior appeal structure. The composition of the senior appeal structure will be determined by the complaint context and location, but will include CTT senior management, senior government representatives (District Administrator), local leaders and senior community representation. This proposed senior appeal structure will be confirmed through the stakeholder engagement programme.

A further meeting would then be held between the senior appeal structure and the complainant, who will be provided with an independent adviser as determined by the senior appeal structure and agreed by the complainant.

The senior appeal structure will discuss and propose recourse measures to the complainant.

If the grievance is resolved and a resolution agreed – the complainant will need to indicate in writing that they are satisfied with the outcome. If the complainant is not satisfied, the matter will be referred to the third tier of the GM.

Tier 3

Should there be no resolution; the complainant will be referred to the formal courts of law. The judiciary structure in Mozambique comprises:

- A Constitutional Court aimed at safeguarding the fundamental rights of people;
- A Supreme Court, which is at the top of the Judicial Court's hierarchy and holds jurisdiction over the entire territory, although it is limited to ruling on matters of law;
- The Courts of Appeal, which may either act at first instance levels depending on the subject-matter and rule on both factual and legal matters; and
- Provincial Courts and Districts Courts.

Appeals on the grounds of factual matter may only be launched once, whereas when it comes to matters of law, there are generally two levels of appeal available to the parties.

There is a specialised military jurisdiction, and there are specialised courts to deal with public law and customs and tax matters as well as maritime law matters.

Civil proceedings under the Mozambican Civil Proceedings are divided into a written stage (parties file their pleadings and describe their claims underlying grounds) and a subsequent oral stage with pre-trial and trial hearings.

Expedited proceedings are foreseen for cases dealing with claims of lower economic value and will typically provide the shorter periods of filings of written pleadings to be made and / or circumvent certain procedural stages.

As to timeframes, although the law provides for the precise timelines for both parties and the court to render pleadings and / or decisions/judgements, only the ones imposed on parties are binding in practice. Hence, it is not possible to foresee how long a case will take to be ruled on before Mozambican courts.

Records

All grievances and other matters of concern that are raised will be recorded in writing and onto the Environmental and Social Management System (ESMS) or stakeholder database, indicating the name, status and origin of the person (or in his/her acting capacity on behalf of a community), the date on which the concern is lodged, a brief description of the concern or grievance and the redress that is being sought, as well as tracked actions and supporting documentation.

Timeframe

A timeframe for the resolution of matters is stipulated as follows: 14 days for all matters and 28 days for more complicated matters that require investigation, verification, and consultation. Periods for review and appeal will be stipulated based on the complexity of the case.

After the matter has been resolved, the resolution will be given in writing to the complainant. The date on which the matter was resolved, and a summary of the resolution will be recorded in the grievance register against the item in which the concern or grievance was recorded. Additionally, grievance tracking will be used to track implementation of redress agreements, consequently improving performance and accountability.

10.0 MONITORING AND REPORTING

The progress undertaken by the proponent to implement the procedures outlined in the SEP will be evaluated through auditing, including:

- Internal monthly audits which will evaluate progress against the procedures outlined in the SEP; and
- Annual independent audits (this can be informed through documentation review, targeted stakeholder engagement to evaluate the SEP progress and its successes or failures).

Annual reporting will include a section on the extent of stakeholder engagement and tracking of issues. Further future sustainability monitoring will include stakeholder engagement monitoring reports.

Participatory monitoring is recommended throughout the project phases, from construction to operations. Such participation and the flow of information generated through this process can also encourage local stakeholders to take a greater degree of responsibility for their environment and welfare in relation to the project, and to feel empowered that they can do something practical to address issues that affect their lives. Plans to involve project stakeholders (including affected communities) or third party monitors in the monitoring of project impacts and mitigation programmes are recommended, and are likely to include:

- Members of each community that can monitor and report any problems to the company, especially during construction. This could cover, for example, excessive dust or noise generation, community safety issues, negative interaction with construction contractors, among others;
- Monitoring by Community Development Committees in each community of progress with development projects; and
- Evaluation from time to time by the government and NGOs involved in community development projects.

Day to day records will be contained in a dedicated database. Stakeholder Engagement Reporting in the form of updated comments and responses will be conducted at least annually and made publicly available.

11.0 MANAGEMENT FUNCTIONS

In order to assess the stakeholder engagement process to ensure that it is compliant with WB standards, the indicators and validation methods in Table 5 will be used. Several validation methods require integration with company systems.

Table 5: Indicators and validation methods for informed consultation and publication process (IFC, 2012)

Material Consideration	Validation Methods
1) Company strategy, policy, or principles of engagement: Strategy, policy, or principles for ongoing stakeholder engagement with explicit mention of affected communities and relevant standards.	Proponent's strategy, policy or principles or other supporting documents.
2) Stakeholder identification and analysis: As part of the environmental and social assessment process, identification of all affected communities, their disaggregation (numbers, locations) in terms of different levels of vulnerability to adverse project impacts and risks, and an analysis of the effect of adverse project impacts and risks on each group. As part of the environmental and social assessment process, this analysis should also look at communities and individuals that will benefit from the project.	Stakeholder analysis document as part of ESIA. Proponent's planning documentation for stakeholder engagement, e.g., communications strategy, consultation plan, Public Consultation and Disclosure Plans, and SEP.
3) Stakeholder engagement: A process of consultation that is ongoing during the project planning process (including the process of environmental and social assessment), such that: (i) affected communities have been engaged in: (a) identifying potential impacts and risks; (b) assessing the consequences of these impacts and risks for their lives; and (c) providing input into the proposed mitigation measures, the sharing of development benefits and opportunities and implementation issues; and that (ii) new impacts and risks that have come to light during the planning and assessment process have also been consulted upon.	Proponent's schedule and record of stakeholder engagement. Proponent's record of discussions with recognised stakeholder representatives, respected key informants, and legitimate representatives of sub-groups (e.g., women, minorities).
4) Information disclosure: Timely disclosure by the proponent of project information to affected communities about (i) the purpose, nature, and scale of the project; (ii) the duration of proposed project activities; (iii) any	Proponent's materials prepared for disclosure and consultation. Proponent's record of discussions with recognised stakeholder representatives;

Material Consideration	Validation Methods
risks to and potential impacts on such communities and relevant mitigation measures; (iv) the envisaged stakeholder engagement process; and (v) the grievance mechanism. Disclosure should be in a form that is understandable and meaningful.	respected key informants; and legitimate representatives of sub-groups.
<p>5) Consultation:</p> <p>Free- Evidence from the affected communities that the proponent or its representatives have not coerced, intimidated, or unduly incentivised the affected population to be supportive of the project.</p> <p>Prior- Consultation with affected communities must be sufficiently early in the project planning process (i) to allow time for project information to be interpreted and comments and recommendations formulated and discussed; (ii) for the consultation to have a meaningful influence on the broad project design options (e.g., siting, location, routing, sequencing, and scheduling); (iii) for the consultation to have a meaningful influence on the choice and design of mitigation measures, the sharing of development benefits and opportunities, and project implementation.</p> <p>Informed Consultation with affected communities on project operations and potential adverse impacts and risks, based on adequate and relevant disclosure of project information, and using methods of communication that are inclusive (i.e., accommodating various levels of vulnerability), culturally appropriate, and adaptable to the communities' language needs and decision-making, such that members of these communities fully understand how the project will affect their lives.</p>	Proponent's record of discussions with recognised stakeholder representatives, respected key informants, and legitimate representatives of sub-groups.
<p>6) Informed participation:</p> <p>Evidence of the proponent's organised and iterative consultation, leading to the proponent's specific decisions to incorporate the views of the affected communities on matters that affect them directly, such as the avoidance or minimization of project impacts, proposed mitigation measures, the sharing of project benefits and opportunities, and implementation issues.</p>	<p>Proponent's schedule and record of stakeholder engagement.</p> <p>The proponent's documentation of measures taken to avoid or minimise risks to and adverse impacts on affected communities in response to stakeholders' feedback received during consultation.</p> <p>Drafts of relevant Action Plans.</p>

11.1 Management oversight

The CTT SHE Manager and CTT Grievance Officer will be respectively responsible for the coordination of ongoing stakeholder engagement and GRM.

11.2 Training

Training will be provided to all CTT personnel who will be in contact with communities. Training may include practicing the presentation of communication materials, attending dry-runs prior to public meetings with stakeholders and learning about stakeholder engagement approaches and methodologies.

Training will also be provided for contractors and other service providers prior to and during the various phases of the project to ensure that their behaviour is culturally appropriate and respectful to the affected communities and that they understand and will implement social management plans that will be developed to IFC standards during, and subsequent to the completion of the ESIA.

The extent of the training will be defined in the Environmental and Social Management System (ESMS) for the Project.

11.3 Record-keeping

An important requirement of an efficient stakeholder engagement process is to keep a meticulous record of stakeholder engagement activities, comments received and responses to these throughout the lifecycle of the project. Record-keeping will take the following form:

- Developing an electronic and hard copy filing system for all external relations activities;
- Recording issues raised at meetings, producing a Comment and Response Report and distributing the report to attendees for verification at regular intervals (an IFC requirement as well as a good practice principle);
- Having attendance registers completed at all meetings and as far as possible taking digital photographs and/or video recordings at all meetings. All this data will be captured into CTT's database;
- Keeping a comprehensive record for reporting purposes of:
 - All meetings (dates, venues, attendees, objectives, etc.);
 - All events such as launches, open days etc. (dates, venues, attendees, objectives, outcomes etc);
 - All comments, compliments, grievances, and responses to these; and
 - Recording the times and content of media advertisements, radio broadcasts and interactive talk shows, and the issues raised during these consultation processes.

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