	Asteria Substation	**Group Capital Division**
Eskom	**Projects Stability/Stakeholder Strategy**	

Title: **Asteria Substation Projects Project Stability Strategy**

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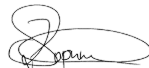Mbulelo Mvana
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Content Page

1.   INTRODUCTION

The planned project for the construction of the 400/132kV Asteria Main Transmission Substation (MTS) is required to ensure long-term future growth anticipated in the Southern Cape side. The project is located within Theewaterkloof Local Municipality in the Western Cape Province respectively.

The project necessitate for a project stability strategy that will enable project execution in a stable operational environment through the facilitation of project stability, stakeholder management, systems and initiatives and CSI.

Apart from technical execution of the projects, socio-economic development, CSI, labour recruitment and participation of local SMMEs in the project will assist in ensuring Eskom leaves a legacy in the affected communities.

2. Project Stability Approach

This strategy will outline a project stability roadmap. The focus is on:

a)   What variables this project should be conscious of,

b)   The risk these variables expose the project to,

c)   Proposed Mitigation of these risks,

This can be achieved by developing and maintaining successful partnerships and working relationships with the different stakeholders internally and externally to Eskom, which are directly, partially or indirectly impacted by the project operations. Good communication and stakeholder partnership is crucial to sustaining mutually beneficial relationships. It is therefore imperative that a systematic approach for the stability of the projects be developed and applied.

This strategy therefore will outline:

a)   How the establishment of strategic partnerships with the leadership and communities of the impacted municipality should be done. This is aimed at driving the project agenda through a stakeholder management system

b)   Strategic and collaborative human capital management and interventions aimed at improved productivity through internal stability initiatives

c)   The development and the promotion of small and medium business enterprises aimed at stimulating local economic growth, focusing on capacity building and enhanced procurement expenditure with a specific focus on previously disadvantaged groups in furtherance of Eskom's SED and SDL&I objectives.

d)   How the project may contribute to the socio-economic development and job creation in the areas of implementation, contributing to local infrastructure and assisting with the identified community needs and initiatives.

e) Communication initiatives to be implemented to position and project positive image/reputation of Eskom within the project jurisdiction and the country at large.

f) Possible interventions that will ensure safety and security of project personnel, avoidance of infrastructure vandalism and minimise vulnerability of Eskom employees and contractors in the performance of their duties.

3. Project Stability Objectives

3.1 To build & maintain strategic relationships that will:

a) Facilitate activity alignment of project needs with project internal stakeholders

b) Create awareness of the importance of the project in with the province.

c) Facilitate project activities to lobby for project support and its alignment between Eskom and stakeholders.

d) Coordinate projects risk management.

3.2 To support the project's operational requirements by:

a) Seeking stakeholder strategic counsel & implementation of strategic support to the projects

b) Influencing the attitudes and opinions of stakeholders and position the project as being a response to the province's capacity constraints.

c) To proactively engage with and lobby key stakeholders to achieve desired outcomes (e.g. manage SMMEs expectations, manage community expectations, etc.).

d) Establishment and alignment of project participative structures

3.3 Responsive to project stoppages by:

a) Formulation and collaboration for projects emergency preparedness and execution.

b) Tracking of project issues, aimed at avoiding project work stoppages, related instabilities and dealing with mushrooming structures within the project (making some unreasonable and illegal demands).

4. Project Stability Risk Matrix

Due to previous experience when projects are under execution, the following risks are always prevalent:

No.	Risk Factor	Risk indicator scale of 1- 10 (1 being lowest & 10 being highest)
1.	Procurement	9
2.	Supplier Development and Localisation	9
3.	Contract Management / Subcontracting	9
4.	Recruitment of labour	9
5.	Skills Development	6
6.	Employee Transportation	8
7.	Employee Accommodation	6
8.	Site Establishment and facilities	6
9.	Security Management	10
10.	Industrial Relations	8
11.	Stakeholder Management	10

A mitigation approach is developed that can minimise these risks. These include:

Procurement	Supplier Development and Localisation	Contracts Management
Prioritise local to site procurement for local SMME's.	Inclusion and development of local suppliers' database to be shared with appointed main contractor.	Making sure subcontracting opportunities are made available for local SMMEs.
Mitigation		
Communication of the formal and Informal sourcing opportunities with Stakeholders. This also includes conducting supplier development workshops.	Communicate supplier development and localisation initiatives with stakeholders.	• Identification and communication of the subcontracting that will be done by the contractors to stakeholders. • Information dissemination to local SMME's on the project sub-contracting opportunities in intervals

Recommendation		
• Local sourcing, according to local to site definition. • Consolidate a SMME local data base for reference when there is a need for procurement sourcing. This is to be extracted and updated from CSD regularly. • Communication of procurement opportunities shared within Project Steering Committee.	• Use visible communication platforms (forums etc.) to communicate initiatives through agreed channels with the impacted stakeholders.	• Share the list of available opportunities in stakeholder forums. • Emergency procurement opportunities will publicized through the agreed channels of communication. • Main contractors to encourage local to site procurement with their appointed subcontractors.

Recruitment of locals	Skills Development	Demobilisation
Focus Areas		
Categorisation of recruitment of skilled, semiskilled and unskilled personnel.	Local skills development and transfer opportunities	Demobilisation approach

Mitigation		
• Differentiate what skills will be sourced locally and which will be brought in by the subcontractor. • Employment contract to stipulate whether a person is scope based or project based from the onset.	Communicate and publicise the skills development plan and how stakeholders can participate in opportunities.	• Approach of the demobilization to be agreed upon at project introduction within the Eskom internal project committee • Agreement to be reached on Demobilisations plans. • Such an approach to be communicated with stakeholder at project introduction

		and with impacted employees at contract signing
• All unskilled positions to be reserved for local communities. • Recommendation that some skilled and semi-skilled resources may be selected from the local economic development within the affected local municipalities.	• Enable the skills development plan and facilitate the publication of the initiatives when the time arises. • Stakeholder forum may recommend an approach on the execution of skills development initiatives, however final approval to be done by the contractor.	• Employees must be on -boarded on the details of their appointment. • Communicate the demobilization strategy in the stakeholder forum and inform them of the planned demobilized employees in intervals.

Accommodation	Transportation	Security Management
Focus Area		
Accommodation strategy.	Project transportation strategy	Execution of the project within a secured environment.
Mitigation		
• Differentiate accommodation approach for employees that are local based and professional and permanent contractor employees.	• Inclusion of local taxi industry and other transport associations in the transportation of employees.	• Employees as well as plant stability risk exposure • Eskom security to conduct security threat assessments. Ongoing engagements will be done with local police stations in the projects vicinity. • Categorisation of security services according to what will be sourced locally and provincial or national.

Recommendation		
• Local employees to continue staying in their homes, and employees brought in should seek accommodation outside project impacted wards. • This is aimed at avoiding stoppages by disgruntled locals as such issues may arise.	• Facilitate the engagement with the local taxi and transport industry. • Communication of alternative vehicles to be used for transportation (bakkies, small passenger vehicles) for operational purposes to be tabled with the relevant stakeholders. • Any deviation to the transport strategy to be communicated.	• The security plan for both projects to be shared with project stakeholder steering committee – except for the confidential or tactical and intelligence information.

5. Project Stakeholders

Eskom has, through Socio-Economic Impact Assessment analyses, identified stakeholders affected by the project, based on their impact, significance; influence etc. on construction, demobilisation and operational activities.

Stakeholder management and Project Team will proactively interface regularly, and in an open and honest manner with a range of identified internal stakeholders and the external stakeholders in government, business, private farmers and their respective bodies, communities, organised business, media, and all persons to be directly impacted by the Project.

Internal & Partner stakeholders	External Stakeholders	Local Stakeholders
Eskom Leadership Group Executive – Transmission TPD Project team Western Cape OU	**National Government** Government / Statutory and Regulatory bodies: Department of Public Enterprises, Environmental Affairs, SAPS and COGTA	**Provincial /Local** Western Cape Government Theewaterkloof Local Municipality Local Ward councillors Local Business Forums. Transport industry Affected communities

6. Alignment with Eskom overall stakeholder management strategy

This stakeholder engagement and communication strategy is aligned with the overall Eskom strategy.

In pursuit of alignment with Eskom's overall stakeholder management planning, Asteria project Stakeholder Management Planning will comply with the following procedures:

a) 240-48663560 Stakeholder Relations Process Control Manual, AA 1000 Stakeholder Engagement Standard

b) UN: 32-256 Emergency Communications Procedure, 32-114, 32-115, 32-116 Internal and External Communication Messaging

c) 470-80 National Government, International Relations and Regulatory Liaison Process

d) 470-121 Stakeholder Engagement Process for Provincial and Local Government Liaison

e) 470-119 Civil Society, Organised Business and Organised Labour Stakeholder Engagement

7. Stakeholders, Issues, Impact, risks & Management Aspect

The process of identifying stakeholders for these projects will be ongoing, and new issues will be incorporated to the strategy before and during the construction phase.

The table below provide details of stakeholders identified, their key issues, phase of impact and management aspect required to mitigate issues or manage expectations:

Stakeholder Group	Stakeholder Classification	Interest / Concern / Key Issues	Impact on Eskom	Stakeholder Management Aspect
Provincial Government	Western Cape Provincial Government	The Expectations of the government authorities are that the business operates in accordance with all local, provincial and national laws, and subscribing to and demonstrating support for articulated government objectives.	Provides our licence to operate as well as a clear regulatory framework.	Eskom will focus on maintaining good working relationships with governmental authorities, keeping them informed of the project's activities and key concerns.
Local Government	Theewaterkloof Local Municipality	Social and economic impact and benefits of the project for the local communities.	Good relations with local municipality will assist in ensuring by-in and support throughout the construction phase.	Eskom to outline the construction programme to the municipalities. Engagements with the municipality to ensure effective implementation of SD&L and recruitment of local labour.
Communities	Local Communities impacted by projects	Employment creation Skills Development Community development Local procurement	Maintaining Eskom socio-political licence to operate is core to how the projects are executed.	Project Steering Committees will drive the socio-economic initiatives in the affected communities.

Security Agencies at local level.	South African Police Service. Community Policing Forums	Safety, Security and policing to ensure project stability and safety of the personnel and material.	Poor policing may result in criminal conducts that may cause delays in the project. (Material theft, violent community protests, etc).	Introduction of the project to security cluster for support and cooperation on matters of safety and security during construction.
Organised Business/ Local Business Forums	Local suppliers and contractors	Economic participation of local businesses during construction, and Enterprise Development	Lack of meaningful participation of local SMMEs may result in protests.	Eskom to ensure there is strong and effective communities support for both projects. This will also be done through the formation of the Asteria Project Steering Committee.
Internal Stakeholder Group	Western Cape Operating Unit	Solicit support. Share projects information and updates	Lack of effective communication with the affected stations and province may result in misinformation misalignment.	The different stakehoders will play a key role in the success of the projects hence partnership and cooperation will be at the centre of the execution of the projects.

8. Situation and Reputation Management Sub process

The operational activities above may result into situations or scenarios that may require interventions that requires different approaches and different teams per different levels to facilitate management of these situations. When these arise project operations maybe disturbed. This necessitates an establishment of a response process by a response team.

Occurrence	Accountability
Operational Situation (These may include a scheduled engagement for an inquiry about a particular activity on the project)	Line Manager
Service Delivery and Reputation Threatening work stoppages on sites	Site Stability Team (Site Manager, Security Officer, environmental officer, Community Liaison Officer, Stakeholder Advisor)
The matter remains unresolved by the 1st line of engagement	Project Reputation Management Team (PRMT) its ad hoc as and when required? (Project Manager, Stakeholder Advisor, Security Manager, CLO, Environmental Officer
The matter moves beyond the project, has significant financial impact and executive decisions are required.	Executive Reputation Management Team (ERMT) Grid manager, Stability Manager, Programme Manager, Stakeholder Manager, Project Manager, Security Manager

9. Project Stability Resourcing Approach

The Stability Resourcing plan is aimed at providing certain competences with certain skills and behaviours that will facilitate strategic stability management. In implementing the project stability, the project will adopt an approach that is based on localisation and encouragement of community involvement.

This community based approach will endeavour to encourage community participation, thus ensuring that community members are able to not only influence activities that will affect the projects and them, but also build their capacity and contribute to their empowerment.

9.1 Project Stability Resourcing

The Project stability/ Stakeholder Management resources will be expected to perform the outputs as outlined below within the identified Municipal jurisdiction where the Asteria MTS project is based. Eskom/Contractor may appoint resources as outlined below or outsource the required services as guided by the resources approach. Summarised outputs will include but not limited to the following:

a) Introduce the projects to all affected stakeholders.

b) Stakeholder Management, inclusive of stakeholder mapping, through stakeholders consultation;

c) Forge Strategic Partnerships, develop and implement an engagement schedule, participate and sometimes initiate Integration forums, develop, stakeholder database, perform community issue Management, facilitate strategic initiatives and conduct stakeholder management assessments;

d) Convene community mobilisation meetings through the local authorities;

e) Raise community awareness about the projects and construction activities

f) Set up the Project Steering Committees

9.2 Required Competences

Functional Output	Competence & Knowledge
Stakeholder Management	• Leadership, Negotiation Skills, Time Management, insight. • Advisory & Counselling abilities, Understanding of Corporate Governance, Formulation of strategies, presentation skills • Project on-boarding of external stakeholders. • Supplier Development and Localisation
Industrial Relations and recruitment	☐ Employment relations, Employee-Employer conciliation and arbitration ☐ Resolution of industrial disputes, Employer-Employee Harmonisation.

10. Acceptance

This document has been seen and accepted by:

Name	Organisation and Designation
Zukiswa Kadire	Manager – Complex Projects
Sunette Van Der Westhuizen	Acting General Manager: Projects Stability

11. Document:

Controlled Disclosure: controlled disclosure to external parties (either enforced by law, or discretionary).