
ANNEXURE A

Terms of Reference for a Stakeholder
Engagement Plan

Umkomaas Regional Sewage Treatment
Plant

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1. INTRODUCTION

1.1. Background

The eThekweni Water and Sanitation (EWS) Branch of the eThekweni Metropolitan Municipality intends to contract a concessionaire to design, finance, construct, operate and maintain two new sewage treatment plants (STPs) at uMdloti and uMkhomazi as a Public Private Partnership (PPP). This agreement is expected to be in place for twenty (20) to thirty (30) years. For planning purposes, the maximum term of thirty (30) years is utilised and assumed to be between 2023 to 2053. The ultimate objective of this project is for the EWS to improve levels of service and to increase the availability and reliability of water resources in the Municipality. The IFC advisory services has engaged Royal HaskoningDHV (Pty) Ltd (Royal HaskoningDHV) as consultant to provide Technical, Environmental and Social (TES) advisory services in preparation for the bidding process for the PPP.

The project entails the following components:

- New Umkomaas STP designed to a provisional plant capacity of 11Ml/d,
- Construction of Raw Sewage Conveyance Systems to collect the sewage at the existing main outfall sewers, located at the old STPs, and convey this to the new STP. The following two (2) Sewage Conveyance Systems are proposed:
 - i. Craigieburn STP to new regional Umkomaas STP; and
 - ii. Old Umkomaas STP to new regional Umkomaas STP.
- Sludge Handling and Beneficiation plant within the new regional STP to treat sludge generated by wastewater treatment process,
- A Treated Effluent Pipeline (TEP) to the South African Pulp and Paper Industries (SAPPI) as the off taker plus a bypass discharge to the uMkhomazi River,
- Combined Heat and Power (Biogas) facility, and
- The establishment of a construction camp/s (on or off the new proposed STP site).

The new Umkomaas STP will replace the following existing plants that will need to be decommissioned once the new works is fully operational:

- Old Umkomaas STP, and
- Craigieburn STP.

The present TOR was developed as part of the TES advisory services. It sets out the minimum requirements for the Stakeholder Engagement Plan, which shall be developed and maintained as part of the ESIA process for the project.

1.2. Purpose

The primary aims of the stakeholder engagement process are:

- to inform Interested & Affected Parties (I&APs) and key stakeholders of the proposed application and environmental studies;
- to initiate meaningful and timeous participation of I&APs;
- to identify issues and concerns of key stakeholders and I&APs with regards to the application for the project (i.e. focus on important issues);
- to promote transparency and an understanding of the project and its potential environmental (social and biophysical) impacts (both positive and negative);
- to provide information used for decision-making;
- to provide a structure for liaison and communication with I&APs and key stakeholders;

- to ensure inclusivity (the needs, interests and values of I&APs must be considered in the decision-making process);
- to focus on issues relevant to the project, and issues considered important by I&APs and key stakeholders; and
- to provide responses to I&AP queries.

The objective of the SEP is to bring the above elements together in a form that plans for and reports on all engagement for this project.

2. APPLICABLE STANDARDS AND LEGISLATION

The requirement for an SEP is primarily found in the IFC Performance Standard (PS) 1¹ which prescribes the actions required to pursue and enhance informed consultation with stakeholders and those directly impacted.

IFC PS1 establishes ESMS requirements for all projects that have environmental and social risks and impacts. **PS1 includes specific requirements for public consultation and disclosure, including the establishment of appropriate grievance mechanisms**, and underscores IFC's interest in ensuring that the project proponent systematically identifies and effectively manages the environmental and social risks and impacts that may occur over the life of a project. PS1 draws on well-established and internationally recognised continuous improvement-based (i.e. "plan, do, check, act") management processes, and provides a structured and methodical approach for managing environmental and social risks and associated impacts, on an ongoing basis.

The stated objectives of PS1 are to:

- Identify and assess the environment and social risks and impacts of the project;
- Apply a mitigation hierarchy to avoid (or where avoidance is not possible, minimise, mitigate, compensate for, or offset) adverse risks and impacts on workers, affected communities, and the environment;
- Improve environmental and social performance of on the part of the project, through the development and implementation of effective management systems;
- **Ensure that potential grievances and other communications from affected communities are evaluated, and appropriately and systematically addressed in a grievance redress mechanism; and**
- **Ensure that affected communities are appropriately engaged regarding environmental and social issues that could potentially affect them over the entire project life cycle.**

One of the guiding application-oriented sources of stakeholder engagement is found by the title "*IFC, A Good Practice Handbook for Companies doing business in emerging markets (May 2007).*"

In addition to being compliant with the IFC PS1, the public consultation for the project must conform to the requirements of the national environmental assessment laws and regulations, including the relevant disclosure of information and public consultation requirements. The SEP shall hence satisfy the NEMA: EIA Regulations, 2014 (as amended) as defined in paragraphs 39-44, as well as the Department of Water and Sanitation (DWS) minimum requirements for public participation as contained in Government Gazette No. 40713 of 24 March 2017, (No. R. 267-Regulations regarding the Procedural Requirements for the Water Use License Applications and Appeals).

¹ See (IFC, 2012) *IFC Performance Standards on Environmental and Social Sustainability*. World Bank/International Finance Corporation, Washington, DC. January 1, 2012.

3. OUTLOOK ON FUTURE ENGAGEMENTS

As Royal HaskoningDHV are only tasked with the preparation of a ESSR, the formal public participation requirements as per the NEMA EIA Regulations 2014 (as amended in 2017) and associated guidelines does not form part of the scope of work at this stage of the project. In future phases, the following additional engagements are proposed:

- The convening of focussed and general meetings with stakeholders at different times throughout the ESIA process (and beyond);
- The engagement of public leaders to whom the public generally turn for information, keeping such individuals well informed about process and progress;
- The fielding of queries from stakeholders and others, and providing appropriate information;
- The convening of specific stakeholder groupings / forums as the need arises;
- The preparation of reports (both baseline and impact assessment) based on information gathered throughout the ESIA via the stakeholder engagement and feeding that information to the relevant decision-makers;
- The stakeholder engagement could include distribution of various types of pamphlets and other information packs; and
- Where appropriate, site visits may be organised, as well as targeted coverage by the media.

Stakeholder engagement is considered fundamental for the project success given potential stakeholders' opposition due to concerns on project potential impacts to recreational use of the river/estuary, fishing, and tourism activities. In the project area of influence, there are sites for tourism, canoeing, diving, and recreational fishing, and income generating fishing. Some of these economic activities are crucial for the local economy and the ESSR indicated that there are already some concerns regarding both the existing pollution of the river/estuary and the one that will be originated by the project.

4. STAKEHOLDER ANALYSIS AND MAPPING

The objective of the stakeholder analysis is to categorise the identified stakeholders and determine which ones:

- Are directly and / or indirectly affected by the project (or project's operations);
- Have interests in the project or present companies that determine them as stakeholders; and
- Have the potential to influence projects outcomes or project's operations.

Stakeholder interest is defined as the extent to which the interests of a stakeholder are affected by the project, either due to the project's direct impact on them or because of political, financial, social, cultural, scientific or technical interests in the project. These interests can either be positively or negatively affected leading to either an improvement or deteriorations in a stakeholder's baseline conditions.

Stakeholder influence refers to the power that a stakeholder has over the project's outcomes. Influence can be direct or indirect. Indirect influence derives, for example, from a stakeholder's ability to influence others or their access to important information. Formal influence may derive from their ability to directly affect decision making through, for example, the issue of government approval and permitting decisions

Higher levels of disclosure and consultation correspond to the provision of more detailed project information and more in-depth discussion in relation to project impacts. Lower levels of disclosure and consultation represent more limited project information and discussion and are generally less technical and less specific in nature.

Table 4-1: Stakeholder Mapping

Stakeholder group	Stakeholder	Level of Project Interest	Level of Project Influence	Resulting Stakeholder Category
National Government	Department of Human Settlements, Water and Sanitation (DHSW&S)	High	High	Potentially active stakeholder
	South African National Roads Agency (SANRAL)	Medium	Medium	Potentially active stakeholder
	KwaZulu-Natal Department of Economic Development, Tourism and Environmental Affairs (KZN EDTEA)	High	High	Potentially active stakeholder
	Passenger Rail Agency of South Africa (PRASA)	Low	Low	Potentially active stakeholder
	Department of Agriculture, Land Reform and Rural Development (DALRRD)	High	High	Potentially active stakeholder
	Department of Environment, Forestry and Fisheries (DEFF)	Medium	Medium	Potentially active stakeholder
Provincial Government	AMAFA aKwaZulu-Natali (KZN Provincial Heritage Resources Authority)	Medium	Medium	Potentially active stakeholder
	Ezemvelo KZN Wildlife	Medium	Medium	Potentially active stakeholder
	KZN Conservancies	Medium	Medium	Potentially active stakeholder
	KwaZulu-Natal Department of Economic Development, Tourism and Environmental Affairs (KZN EDTEA)	Medium	Medium	Potentially active stakeholder
	KwaZulu-Natal Department of Transport (DoT)	Medium	Medium	Potentially active stakeholder
Local Government	eThekweni Environmental Health Dept	High	High	Potentially active stakeholder
	eThekweni Transport Authority	Low	Low	Potentially active stakeholder
	eThekweni Municipality	High	High	Potentially active stakeholder
	eThekweni Municipality - Water & Sanitation	High	High	Potentially active stakeholder
	Umdoni Municipality	High	High	Potentially active stakeholder

	Ward Councillors - Ward 99, 105	High	Medium	Key stakeholder
Conservation Societies and NGOs/ NPO's	Wildlife and Environment Society of South Africa (WESSA)	High	High	Potentially active stakeholder
	Endangered Wildlife Trust	High	High	Potentially active stakeholder
	PUGASA/ Coastwatch	High	High	Potentially active stakeholder
	Earthlife Africa	High	High	Potentially active stakeholder
	The Timberwatch Coalition	High	High	Potentially active stakeholder
	BirdLife South Africa	High	High	Potentially active stakeholder
	South Durban Community Environmental Alliance (SDCEA)	High	High	Potentially active stakeholder
	Biowatch	High	High	Potentially active stakeholder
	Empisini Nature Reserve	High	Low	Key stakeholder
	Anti Pollution Watch Dog	Medium	Medium	Potentially active stakeholder
	Ezemvelo KZN Wildlife	Medium	Medium	Potentially active stakeholder
	KZN Conservancies	Medium	Medium	Potentially active stakeholder
	Marine and Estuarine Research (MER)	High	High	Potentially active stakeholder
	Umdoni Vulamehlo HIV and AIDS association	Low	Low	Potentially active stakeholder
	Groundwork	High	High	Potentially active stakeholder
	TC Robertson Nature Reserve	Medium	Medium	Potentially active stakeholder
	Ubuntu Community Chest	Medium	Medium	Potentially active stakeholder
	Vernon Crookes Nature Reserve	Medium	Medium	Potentially active stakeholder

Media	GroundUp	Medium	Medium	Potentially active stakeholder
	Isolezwe	Medium	Medium	Potentially active stakeholder
	Mid South Coast Mail	Medium	Medium	Potentially active stakeholder
	Mid South Coast Rising Sun	Medium	Medium	Potentially active stakeholder
	Rising Sun Newspapers	Medium	Medium	Potentially active stakeholder
	South Coast Herald	Medium	Medium	Potentially active stakeholder
Business (local)	SAPPI	High	High	Potentially active stakeholder
	Khanya Hospice Umkomaas	Medium	Medium	Potentially active stakeholder
	Lignotech SA	Medium	Medium	Potentially active stakeholder
	Technical Association of the Pulp and Paper Industry of South Africa (TAPPSA)	High	High	Potentially active stakeholder
	Umkhomazi Blockmakers Association	High	High	Potentially active stakeholder
	Eskom	Low	Low	Potentially active stakeholder
	Umkomaas Tourism	High	Medium	Key stakeholder
	Babock (SAPPI TENANTS)	Medium	Medium	Potentially active stakeholder
	Cross Refractory (SAPPI TENANTS)	Medium	Medium	Potentially active stakeholder
	Divas Electrical (SAPPI TENANTS)	Medium	Medium	Potentially active stakeholder
	HM Engineering	Medium	Medium	Potentially active stakeholder
	IPSS South africa	Medium	Medium	Potentially active stakeholder

	J & D Scaffolding	Medium	Medium	Potentially active stakeholder
	Lanara Projects	Medium	Medium	Potentially active stakeholder
	LCPS Contruction	Medium	Medium	Potentially active stakeholder
	Machine Moving & Engineering	Medium	Medium	Potentially active stakeholder
	Norwell Engineering	Medium	Medium	Potentially active stakeholder
	Protek Engineering	Medium	Medium	Potentially active stakeholder
	Sanitech	Medium	Medium	Potentially active stakeholder
	SGB Cape	Medium	Medium	Potentially active stakeholder
	Titan Projects	Medium	Medium	Potentially active stakeholder
	Umbogintwini Riggers L&M Inspectors	Medium	Medium	Potentially active stakeholder
	Watac Engineering	Medium	Medium	Potentially active stakeholder
	Waybar Construction	Medium	Medium	Potentially active stakeholder
Community (residents and recreational users)	Residents/ Interested and Affected Party	High	Medium	Key stakeholder
	Anglers Representatives - Ukhomaas SBC	High	Medium	Key stakeholder
	Umkomaas Ski boat club	High	Medium	Key stakeholder
	Keep Umkomaas Beautiful	High	Medium	Key stakeholder
	Cragieburn neighbourhood watch	High	Medium	Key stakeholder
	Scottburgh Surf Lifesaving Club	High	Medium	Key stakeholder
	Umkomaas Bowling Club	Low	Low	Potentially active stakeholder
	Umkomaas Golf Glub	Low	Low	Potentially active stakeholder

	Umkomaas Italian Club	Low	Low	Potentially active stakeholder
	Danganya Primary School	Medium	Medium	Potentially active stakeholder
	Diambula Primary School	Medium	Medium	Potentially active stakeholder
	Esizibeni Comprehensive High School	Medium	Medium	Potentially active stakeholder
	Magabeni Primary School	Medium	Medium	Potentially active stakeholder
	Naidoo Memorial Primary School	Medium	Medium	Potentially active stakeholder
	Naidooville Primary School	Medium	Medium	Potentially active stakeholder
	Opapheni Primary School	Medium	Medium	Potentially active stakeholder
	Sheshisa Primary School	Medium	Medium	Potentially active stakeholder
	Sidelile High School	Medium	Medium	Potentially active stakeholder
	Umkomaas Primary School	Medium	Medium	Potentially active stakeholder
	Umkomaas Secondary School	Medium	Medium	Potentially active stakeholder
	Umnini Community (Chief and Induna)	High	Medium	Key stakeholder
	Traditional Leaders (9)	High	Medium	Key stakeholder
	Catchment Forum	High	Medium	Key stakeholder
	Aliwal Dive Centre - Aliwal Shoal	High	Medium	Key stakeholder
Community Trust	Ingonyama Trust Board	Medium	Medium	Potentially active stakeholder

** The above assessment has been conducted at scoping phase. Ratings may change during the ESIA stage.

5. TERMS OF REFERENCE

The SEP shall be developed in line with IFC PS1 requirements and include:

- systematic identification and analysis of key stakeholder groups, their relevance to the project, and their interests/concerns
- description of the process undertaken for information disclosure, stakeholder consultation and incorporation of stakeholders' concerns into project design where appropriate
- complete list all key issues raised, by whom, and responses provided to date, as well as the dates and times of meetings held, details of how meetings were advertised, methods of info dissemination etc (e.g. radio, TV, newspaper adverts, public meetings, small meetings / focus groups, key informant discussions)
- definition of a Grievance Redress Mechanism in alignment with PS1 to identify and address complaints or issues raised by stakeholders
- planning and procedures for stakeholder engagement activities to be undertaken during the project life cycle
- process for SEP updates.

Table 5-1: SEP Terms of Reference

Table of Content	Terms of Reference
1. Introduction	Briefly describe the project (or the company's operations) including design elements and potential social and environmental issues. Where possible, include maps of the project site and surrounding area.
2. Regulations and Requirements	Summarise any legal, regulatory, lender, or company requirements pertaining to stakeholder engagement applicable to the project or company operations. This may involve public consultation and disclosure requirements related to the social and environmental assessment process.
3. Summary of any Previous Stakeholder Engagement Activities	If the company has undertaken any activities to date, including information disclosure and/or consultation, provide the following details: ▪ Type of information disclosed, in what forms (e.g. oral, brochure, reports, posters, radio, etc.), and how it was disseminated. ▪ The locations and dates of any meetings undertaken to date. ▪ Individuals, groups, and/or organizations that have been consulted. ▪ Key issues discussed and key concerns raised. ▪ Company response to issues raised, including any commitments or follow-up actions. ▪ Process undertaken for documenting these activities and reporting back to stakeholders.
4. Project Stakeholders	List the key stakeholder groups who will be informed and consulted about the project (or the company's operations). These should include persons or groups who: ▪ are directly and / or indirectly affected by the project (or the company's operations); ▪ have "interests" in the project or parent company that determine them as stakeholders; and

Table of Content	Terms of Reference
	▪ have the potential to influence project outcomes or company operations (examples of potential stakeholders are affected communities, local organisations, NGOs, and government authorities. Stakeholders can also include politicians, other companies, labour unions, academics, religious groups, national social and environmental public sector agencies, and the media).
5. Stakeholder Engagement Program	▪ Summarise the purpose and goals of the program (either project specific or corporate). ▪ Briefly describe what information will be disclosed, in what formats, and the types of methods that will be used to communicate this information to each of the stakeholder groups identified in section 4 above. Methods used may vary according to target audience, for example: - Newspapers, posters, radio, television; - Information centres and exhibitions or other visual displays; and - Brochures, leaflets, posters, non-technical summary documents and reports. ▪ Briefly describe the methods that will be used to consult with each of the stakeholder groups identified in section 4. Methods used may vary according to target audience, for example: - Interviews with stakeholder representatives and key informants - Surveys, polls, and questionnaires - Public meetings, workshops, and/or focus groups with specific groups - Participatory methods - Other traditional mechanisms for consultation and decision-making ▪ Describe how the views of women and other relevant sub-groups (e.g. minorities, elderly, youth etc.) will be taken into account during the process. ▪ Describe any other engagement activities that will be undertaken, including participatory processes, joint decision-making, and/or partnerships undertaken with local communities, NGOs, or other project stakeholders. Examples include benefit-sharing programs, community development initiatives, resettlement and development programs, and/or training and micro-finance programs.
6. Timetable	Provide a schedule outlining dates and locations when various stakeholder engagement activities, including consultation, disclosure, and partnerships will take place and the date by which such activities will be incorporated into the company's management system (at either the project or corporate level).
7. Resources and Responsibilities	Indicate what staff and resources will be devoted to managing and implementing the company's Stakeholder Engagement Program. Who within the company will be responsible for carrying out these activities? What budget has been allocated toward these activities? For projects (or multiple company operations) with significant or diverse impacts and multiple stakeholder groups, it is good practice for a company to hire a qualified Community Liaison Officer(s) to arrange and facilitate these activities at the project and/or corporate level. Integration of the community liaison function with other core business functions is also important, as is management involvement and oversight.

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8. Grievance Mechanism	Describe the process by which people affected by the project (or company's operations) can bring their grievances to the company for consideration and redress. Who will receive public grievances, how and by whom will they be resolved, and how will the response be communicated back to the complainant?
9. Monitoring and Reporting	Describe any plans to involve project stakeholders (including affected communities) or third-party monitors in the monitoring of project impacts and mitigation programs. Describe how and when the results of stakeholder engagement activities will be reported back to affected stakeholders as well as broader stakeholder groups? Examples include social and environmental assessment reports; company newsletters; annual monitoring reports submitted to lenders; company annual report; company or corporate sustainability report.
10. Management Functions	How will stakeholder engagement activities be integrated into the company's environmental and social management system and with other core business functions? ▪ Who will have management oversight for the program? ▪ What are the plans for hiring, training, and deploying staff to undertake stakeholder engagement work? ▪ What will be the reporting lines between community liaison staff and senior management? ▪ How will the company's stakeholder engagement strategy be communicated internally? ▪ What management tools will be used to document, track, and manage the process? (e.g. stakeholder database, commitments register, etc.) ▪ For projects or company operations involving contractors, how will the interaction between contractors and local stakeholders be managed to ensure good relations?