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| September 2012 | | | | |

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| Construction of GTU-CHP on CWSBH site in the City of Vladivostok (CHP Vostochnaya) |
|  |
| Stakeholder Engagement Plan (SEP) | |
|  | |
| November 2012 | |
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# Introduction and Project Summary

## Purpose of this Stakeholder Engagement Plan

This document is our Stakeholder Engagement Plan (SEP) of the Construction project of GTU-CHP on CWSBH site in the City of Vladivostok (CHP Vostochnaya, hereinafter “the Project”). The purpose of the SEP is to enhance stakeholder engagement procedures for our investment programme in line with the requirements of the European Bank of Reconstruction and Development (EBRD).

## Who we are?

ESV is the largest participant of the energy market both across Russia and in the Far East of Russia ([www.rao-esv.ru](http://www.rao-esv.ru)).

ESV, its subsidiaries, and affiliated companies form a Holding, which operates in all regions of the Far Eastern Federal District and is the successor to most of the rights and obligations of JSC "RAO UES of Russia" in respect of the power sector of the Far East of Russia.

The main activity of ESV is to manage generation and distribution companies to meet the requirements for electricity and thermal energy of the Far Eastern Federal District and neighbouring regions.

## The Project

The planned development comprises the construction of a new gas-fired high-efficiency co-generation plant on CWSBH site (CHP Vostochnaya, the Project) within the City of Vladivostok, the administrative centre of the Primorsk Krai (see Figure 1.1).

The Project will meet a growing demand in the City for heat and energy, as well as increasing reliability of heat and power during the transition of the City’s other main plant (Vladivostok CHP-2) from coal operation to gas.

The planned Project (and subsequent conversion of CHP-2 to gas) will enable both Plants to achieve and sustain compliance with the requirements for European Union (EU) Best Available Techniques (BAT) while increasing efficiency, reliability and capacity of electricity and heat generation for the inhabitants and industry of the City of Vladivostok; enabling vast improvements in environmental conditions.

|  |  |  |
| --- | --- | --- |
| Figure 1.1: Project Location | | |
| Site general |  | C:\Users\konstanp\AppData\Local\Users\Sergey\AppData\Local\Temp\FineReader10\media\image2.jpeg |
| Source: <http://maps.yandex.ru> |  | Source: OVOS |

We have completed an environmental impact assessment (EIA) and received a number preliminary approvals including use of water resources, approval of environmental survey results, etc. The design documentation including the EIA section was submitted to State Expertise for approval and we are expecting final approval at the end of 2012 – beginning of 2013.

## Structure of the SEP

The following sections provide:

* The regulatory requirements for consultation;
* Identification of our key stakeholders;
* Our proposed consultation and disclosure programme including details of where and how you can submit comments on the Project;
* Our grievance mechanism; and
* Our contact information.

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# Regulatory Requirements

We disclose Company information and consult with stakeholders and the public on this Project.

It is assumed that one of the financiers with significant input to the Project financing will be European Bank of Reconstruction and Development (EBRD). EBRD is committed to promoting environmentally sound and sustainable development. As such, taking into consideration a possible EBRD participation in the Project financing scheme, we will be governed by the EBRD Environmental and Social Policy (May 2008) and the subsequent Performance Requirements (PR) during the Project development and implementation.

The EBRD considers stakeholder engagement as an essential part of good business practices and corporate citizenship, and a way of improving the quality of projects. In particular, effective community engagement is central to the successful management of risks and impacts on communities affected by projects, as well as central to achieving enhanced community benefits.

Stakeholder engagement is an ongoing process involving (i) the client’s public disclosure of appropriate information so as to enable meaningful consultation with stakeholders, (ii) meaningful consultation with potentially affected parties, and (iii) a procedure or policy by which people can make comments or complaints. This process should begin at the earliest stage of project planning and continue throughout the life of the project.

PR 10 outlines a systematic approach to stakeholder engagement that we will commit to following for this Project.

Under our commitment to EBRD, we have a commitment to meet the following EU standards for engagement:

* UNECE Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters (Aarhus Convention); and
* The EU Directive 85/337/EEC, amended by the Directive 97/11/ЕС, on the Assessment of the Effects of Certain Public and Private Projects on the Environment (EIA Directive).

# Engagement Activities and Stakeholders

## Engagement Activities

The following presents our engagement and disclosure activities and the stakeholders proposed as the recipients of this information.

| Information to be disclosed | Timeframe | Communication / media tool | Stakeholder(s) | Opportunity of Stakeholder Comment |
| --- | --- | --- | --- | --- |
| Public grievance mechanism (in Section 6) | For Company grievance – immediately and for the lifetime of the Company.  For Project activities from the commencement of the Project and for the lifecycle of the Project. | Website: <http://www.dvgk.ru> and contact details in Section 5 0f this report.  Press release  Signposts at project locations  Leaflets at nearby municipalities and libraries. | Local Communities/ General Public | Public can lodge grievances at any time throughout the lifecycle of the Project. |
| Project schedules provided to directly affected / vulnerable stakeholders (including stakeholders affected/vulnerable by the steam pipeline) | Immediately for works already commenced  Three months prior to start of construction of other components. | Website: <http://www.dvgk.ru> Signposts at project locations  Leaflets / information brochures at nearby municipalities, libraries. | As above | Stakeholders can comment on project schedule through the grievance mechanism, or directly using the contact details in Section 5. Any such comments to be logged. |
| Following project documentation to be disclosed:  Environmental and building permits  Environmental, Health and Safety Management plans | Prior to relevant stages in the Project development | As above | As above | As above. |
| Key environmental and social documentation for investment priorities:  Non-technical summary, this SEP and National and international environmental and social impact assessments (ESIAs) (as applicable) | Disclosure project documentation disclosure within the local communities within the area of influence of the development and surrounding vicinity for investment priorities. Documentation should be made available and publicly disclosed to local communities as a minimum six month prior to the construction activities commencing. | Website: <http://www.dvgk.ru> Hard copies provided to stakeholders if requested. Press releases  Formal public meetings. | As above   * Government Officials / Regulatory Authorities at the regional and local levels * Regional and Local Media (i.e. newspapers, Information Agencies, radio or television) | Stakeholders will be able to submit comments for a period of 21 days before finalisation using the contact details in Section 6 of this report. |
| Annual Report including a summary of environmental and social impacts, health and safety performance, implementation of external grievance mechanism. | Annually. | Website: <http://www.dvgk.ru> | As above, Company Employees and shareholders | As above. |
| Company’s environmental and social policy (including any community investment activities related to the project) | In place. | Website: <http://www.dvgk.ru> | Company Employees and shareholders | As above |
| Workers grievance mechanism | Workers grievance in place, but the process will be formally documented and disclosed to all employees by the end of 2012 | Information board  Inclusion into new starter employee’s information pack.  Intranet  Internal newspaper and emailing | Company Employees and shareholders | Workers (including non-employees) can lodge grievances at any time throughout their employment with the Company |
| Human resources (include workers terms and conditions) | In place | As above. | Company Employees Contractors | Workers can comment on policies and procedures through the worker grievance mechanism. |
| Environment, Health and Safety (EHS) policies and procedures | From the first quarter of 2013 | As above | Company Employees, Contractors | As above |
| The Company’s corporate commitment for adoption of EBRD’s performance requirements (PRs) at all levels of Company business. Disclosure to include relevant reference and training documentation of key PRs for subsidiary adoption | From the first quarter 2013 | As above | Company Employees, Contractors | As above |
| Training procedures and requirements for subsidiary implementation and adoption of international and EBRD’s standards. | From the second quarter 2013 | As above | Company Employees, Contractors | Subsidiary training managers |
| Information on the management and use hazardous materials substances banned under the requirements of the EU | From the first quarter 2013 | As above | Company Employees, Contractors | Workers can comment on policies and procedures through the worker grievance mechanism. |

## Engagement Programme

To date we have undertaken the following consultation activities:

* A public hearing devoted to the land use category change for the number of plots including the Project site was conducted on 17th of August in Vladivostok by the City Administration. On 22nd of August the working meeting of the Commission took place. We are awaiting final decisions;
* Preliminary consultations with relevant authorities at the national and regional level to inform them about the Project;
* Information to the mass-media about the Project at the regional level; and
* Held a ceremony at the Project site on 12th of July on site. The event was open to the regional and the City Administration, the Project participants, mass media, NGOs, general public. High level information regarding the Project was given at this event.

The consultation events undertaken have provided the public and interested stakeholders with a valuable overview of the Project. However, the Project has yet to disclose detailed Project information (i.e. Russian EIA, non-technical summary etc) and to receive comments/feedback from consultees.

Further stakeholder engagement activities are required to disclose Project information, facilitate the receipt of public grievances, and ensure compliance with national and European regulations.

These activities will include the public meetings to present a non-technical summary (NTS) of the Environmental and Social Action Plan (ESAP) and the Environmental and Social Management Plan (ESMP) as well as construction schedules. This meeting will take place in the City of Vladivostok on February 21th, 2013, the information about the place of meeting and exact time will be available on our website (www.rao-esv.ru).

All documents regarding the Project, including the Environmental Impact Assessment have been made available for public consultation on our website (www.rao-esv.ru), and at PHN offices:

|  |
| --- |
| Primorsk Heating Networks  690091 Vladivostok, St. West, d. 29.  3 FL., room. 319,  Tel. 8 (423) 243-20-01,  [www.primts.ru](http://www.primts.ru) |

Other meetings will be arranged if and when significant Project impacts are realised (for example when a decision is made regarding the steam pipeline and it is identified that the impacts will be greater than currently anticipated) or scheme design or construction schedules differ significantly from those currently proposed.

At the meetings stakeholders will be invited to comment on the Project and their opinions and concerns will be considered during the project implementation.

The meetings will be advertised in the newspapers and on the radio channels of Vladivostok for a period of 21 days in advance. The meetings will be open to all of the public; however, the attendance of local community members and vulnerable stakeholders will be targeted through the distribution of leaflets and signage in the municipal offices.

At the meetings an open book will be used to allow comments to be recorded anonymously. This book will be made available in an easily accessible area of the exhibition but in an area that will not be directly monitored by host staff (e.g. by the exit). The information will be recorded so that a response and feedback can be made available to stakeholders.

# Grievance Mechanism

We have an established external grievance mechanism which is available for every stakeholder to use.  Any comments or concerns can be brought to our attention either verbally or in writing (by post or e-mail) or by filling in a grievance form (an example is included in Appendix A) the grievance form will be made available in on the Project website (www.dvgk.ru) alongside this description of the grievance mechanism. Grievance forms can then be submitted to the Company contact details provided in Section 6

All grievances will be:

* Acknowledged within **7 days**; and
* Responded to no later than **30 days.**

Grievance information is recorded in a grievance log by specifically nominated and trained members of staff. We log the following information[[1]](#footnote-2):

* Name and contact details,
* Details of the grievance and how and when it was submitted, acknowledged, responded to and closed out.

This process is depicted in Appendix A.

Our grievance mechanism does not preclude the right for stakeholders to process grievances though other judicial means.

# Company Contact Information

Company contact information is provided in Table 6.1 below.

Table 6.1: Company Contact Details

|  | Details |
| --- | --- |
| Company Name | Local Branch of JSC DGC “Primorsk Heat Networks” |
| Company Contact | Alexey Nikolaevich Subbotin, Press Secretary |
| Postal Address | 690091, Vladivostok, Zapadnaya str., 29 |
| Telephone Number | Press service +7 423 279 62 03  Reception + 7 423 243 25 81  Hot line +7 423 279 00 01 |
| Fax Number | Reception +7 (423) 240 03 83 |
| Email Contact | [pressa@primts.dvgk.ru](mailto:pressa@primts.dvgk.ru) |
| Company site | www.primts.ru |
| Online Inquiry Form | http://www.primts.ru/new/consumers/cons\_book/ |

Appendices

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| [Appendix A. Grievance Form and Flow Chart 13](#_Toc336412573) |

##### Grievance Form and Flow Chart

|  |  |
| --- | --- |
| Reference Number: | |
| Full Name |  |
| Contact Information  Please mark how you wish to be contacted (mail, telephone, e-mail) | By Post: Please provide mailing address:  By telephone:  By e-mail: |
| Preferred language of communication |  |
|  | |
| Description of incident or grievance  (What happened? Where did it happen? Who did it happen to? What is the result of the problem?): | |
|  | |
| Date of incident/grievance |  |
|  | One time incident/grievance (date \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_)  Happened more than once (how many times? \_\_\_\_\_)  On-going (currently experiencing problem) |
|  | |
| What would you like to see to resolve this problem? | |
|  | |

**Signature……………………………………**

**Date………………………………………….**

**Please return** this form to:

|  | Details |
| --- | --- |
| Company Name | Local Branch of JSC DGC “Primorsk Heat Networks” |
| Company Contact | Alexey Nikolaevich Subbotin, Press Secretary |
| Postal Address | 690091, Vladivostok, Zapadnaya str., 29 |
| Telephone Number | Press service +7 423 279 62 03  Reception + 7 423 243 25 81  Hot line +7 423 279 00 01 |
| Fax Number | Reception +7 (423) 240 03 83 |
| Email Contact | [pressa@primts.dvgk.ru](mailto:pressa@primts.dvgk.ru) |
| Company site | www.primts.ru |
| Online Inquiry Form | http://www.primts.ru/new/consumers/cons\_book/ |

Figure A.1: Flowchart for Processing Grievances

Record the date in the Grievance Register

Grievance received

(in verbal or written format)

**Acknowledge all complaints within 7 days.**

**NO**

**YES**

Immediate action enough to satisfy complaint

Identify any long-term corrective action required

Record the date in the Register

Inform complainant of the proposed corrective action or clarify why action is not required **within 30 days**

Inform complainant of corrective action

Implement the corrective action and carry out the follow-up of the corrective action

Record the date. Close the case.

1. Please state if you wish to have your name and grievance / comment kept confidential [↑](#footnote-ref-2)