AFRICAN DEVELOPMENT BANK

MANAGEMENT RESPONSE TO THE INDEPENDENT REVIEW MECHANISM (IRM) FIRST MONITORING REPORT ON THE MEDUPI POWER PROJECT

ORQR/ONEC

December 2015
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List of Abbreviations

AfDB  African Development Bank Group
CEMP Construction Phase Environmental Management Plan
CRMU Compliance Review and Mediation Unit
CSI Corporate Social Investment
CSOs Civil Society Organizations
DEA Department of Environmental Affairs
DMR Department of Mineral Resources
DWS Department of Water and Sanitation
ECO Environmental Control Officer
EIA Environmental Impact Assessment
EMC Environment Monitoring Committee
ESA Environmental and Social Assessment
ESIA Environmental and Social Impact Assessment
ESMP Environmental and Social Management Plan
FGD Flue Gas Desulfurization
HIA Heritage Impact Assessment
IRM Independent Review Mechanism
ISO International Organization for Standardization
MCIO Medupi Central Information Office
MCWAP Mokolo-Crocodile Water Augmentation Project
MLI Medupi Leadership Initiative
OEMP Operational Phase Environmental Management Plan
RESA Regional Environmental and Social Assessment
SAAQIS South African Air Quality Information System
1. Introduction

This Management response is feedback to the first Monitoring Mission Report prepared by the Independent Review Mechanism (IRM) Experts following a field monitoring mission they conducted over the period 10-17 May 2015. The objective of the IRM Monitoring Report was to assess progress made by Management in achieving compliance with Bank policies and procedures in the Medupi Power Project in line with the Action Plan approved by the Boards, in February 2013.

Prior to the IRM first Monitoring Mission, Management had undertaken four follow up monitoring/supervision missions and submitted to CRMU/IRM four respective reports on the progress the project has made in implementing the IRM Action Plan. This response to the IRM first Monitoring Mission Report should thus be viewed as supplementary to what Management has already submitted to CRMU and to the Boards as stated above. This Management response focusses principally on Section 3 of the IRM report which presents the findings of the experts and focusses largely on providing clarifications and feedback on some of the specific issues Management deems not to have been accurately presented in the IRM report. The Management response does not therefore seek to respond to each issue raised in the IRM monitoring report as a number of the issues are covered in detail in earlier management responses submitted to CRMU.

Below is feedback on specific issues arising in section 3 of the IRM monitoring report.

2.1 Monitoring of the CEMP Implementation

 Air quality monitoring

<table>
<thead>
<tr>
<th>Key Issue: Risk to Public Health due to Emissions.</th>
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<tbody>
<tr>
<td><strong>Action Plan 2.1: Continuous monitoring of Construction Phase Environmental Management Plan (CEMP) and compliance with the requirements of the various licenses to be issued under the CEMP.</strong></td>
</tr>
</tbody>
</table>

Whereas the IRM report alludes to Management reliance on Eskom reports for the monitoring of air emissions and there being “no comprehensive and independent data” other than that obtained from Eskom, and further alludes having found “considerable skepticism among civil society about the reliability of current air quality data provided by Eskom”, Management would wish to clarify that the primary purpose of Management supervision missions is to assess progress made on the various IRM Action Plan issues in particular and project progress in general, and provide support and guidance based on fact finding site visits as well as receipt and review of progress reports submitted by Eskom either prior to the mission and/or during the mission period. In addition to receiving reports and updates from Eskom, Management also receives independent monitoring reports from the Environment Control Officer (ECO) who is on site full time representing the South African Government’s Department of Environmental Affairs (DEA) which is the Agency mandated to enforce compliance to environmental licensing and authorization conditions on the project. Susan Slabbert is appointed by the DEA as ECO at the Medupi Power Station. She leads a team of 5 DEA officers with different areas of expertise. The ECO continues to monitor and
report on environmental issues (such as noise, dust, air quality, ground water, potable water, waste handling etc.) to DEA and the Environmental Monitoring Committee (EMC) monthly. Susan and her team have been on site since the start of Bank own supervision in 2013.

Moreover, at the time of project approval, the project was required to put in place adequate environment monitoring systems and institutional mechanisms to ensure implementation of the Construction-phase ESMP and report on this to the Bank on a quarterly basis. The expectation therefore was not to create other parallel mechanisms for confirming data generated through the projects monitoring systems.

It is noteworthy that Eskom’s ambient air quality monitoring results are submitted to the Department of Environmental Affairs (DEA). In addition, the DEA have their own ambient monitoring sites in the area and the results of their monitoring sites (see example for the Waterberg area: http://www.saaqis.org.za/AQDownloads.aspx?type=Waterberg) are made available on the South African Air Quality Information System (SAAQIS) web site (http://www.saaqis.org.za/). SAAQIS, provides a common platform for managing air quality information in South Africa. It makes data available to stakeholders including the public and provides a mechanism to ensure uniformity in the way air quality data is managed i.e. captured, stored, validated, analyzed and reported on in South Africa.

In addition to the above, the project has been subjected to independent audits by independent organizations, one of which was by the International Organization for Standardization (ISO) which qualified the project for ISO 14001 certification on the basis of sound environment management systems put in place to ensure environmental compliance. The monitoring/verification system at the Medupi Power Station, is a combination of two data collection, analysis and reporting sources. The first is performed by Eskom and the second by DEA, to guarantee the validity of the system in place. The soundness of the environmental management system is assessed by ISO 14001 certification body. Such independent and globally recognized agencies finding Eskom’s internal systems adequate as a basis for ensuring compliance gives further credibility to Management’s own evaluation of Eskom’s capacity to manage and implement the project CEMP and all its associated requirements. All of which attest to the robustness of the system in place for verification and ensure compliance.

Management further notes that in anticipation of future emission concerns once Medupi becomes operational, Eskom is progressively updating its air monitoring infrastructure to strengthen baseline data collection as a basis for future comparison with future operations phase conditions. Thus whereas Management concurs with the need for multiple and additional data collection points (monitoring stations), the expectation by the IRM monitoring report that all the necessary air monitoring infrastructure should already be installed by the time of their visit is certainly unrealistic, and does not recognize the efforts that Eskom has put in place to progressively install monitoring infrastructure since the commencement of the construction phase. Management, in its submissions to CRMU /IRM has previously reported on the actions Eskom has taken to install additional air monitoring stations.

Whereas the IRM report indicates that their “team found considerable skepticism among civil society about the reliability of current air quality data provided by Eskom”, Management
would wish to clarify that Eskom submits its air quality monitoring data to competent national regulatory agencies which also have their own independent monitoring infrastructure and these agencies would be the best to have raised doubt in Eskom’s data. To-date they have not, to the best of Management’s knowledge, raised any doubt on Eskom’s monitoring data. To cast doubt on Eskom’s monitoring data, based on civil society skepticisms, without seeking clarification from the competent national regulatory agencies is, in itself, questionable.

Management further wishes to note that Eskom has had the opportunity to regularly present its monitoring data (for ground water and ambient air quality and other aspects of environment monitoring) to the public through public meetings organized by the Environment Monitoring Committee (EMC) and in which some Civil Society Organizations (CSOs) have participated. Management has also on all its updates to CRMU/IRM provided this information. To think that the only mechanism for availing for data to the public is through “members of the public having to make written requests for the data, with delays and bureaucratic hurdles impairing the flow of information that is supposed to be “public” in nature”, is unwarranted.

Moreover, in the spirit of broad consultation and disclosure, Eskom is currently facilitating an NGO forum where issues such as status of air emissions monitoring are presented and discussed with the CSOs. It is therefore not entirely true to imply that Eskom is not forthcoming with data and information as stated in the IRM report, that “at the present time, members of the public have to make a written request for the data, with delays and bureaucratic hurdles impairing the flow of information that is supposed to be “public” in nature”.

**FGD Installation schedule**

With respect to the FGD installation program in as far as it will contribute to the improvement in quality of air emissions from the Medupi plant, Eskom has provided updates on the FGD installation schedule which Management has regularly reported on in its submissions to CRMU/IRM in all the Management responses submitted this far. Current status certainly still maintains an FGD installation schedule 6 years after operationalization of each generation Unit and this position has been noted by the relevant Government agencies in terms of the Atmospheric Emission License granted to Medupi and the outcome of the Eskom application for postponement to the minimum emission standards. Current discussions focus on the FGD financing plan with financing and eventual securing of the required financing commitments.

2.2  **Conduct of Project Supervision Missions**

| Action Plan 2.2: Reporting on the status of implementation of the project as follows: |
| 2.2.1 Project Quarterly Progress Reports submitted to the Bank; 2.2.2. Frequency of Bank supervision missions; 2.2.3 Update of the Operational Phase Environmental Management Plan (OEMP) |
The IRM report alleges that Management undertakes supervision missions on an annual basis and states that “12 months between supervisory visits for review of the Action Plan is inadequate in meeting the needs for information by the Boards”. Management clarifies that since 2013, the supervision missions on the project have been undertaken follows:

<table>
<thead>
<tr>
<th>First Board Information Note following approval of IRM Action Plan</th>
<th>Dates for supervision mission</th>
<th>Time lapse from previous mission</th>
</tr>
</thead>
<tbody>
<tr>
<td>First update to CRMU</td>
<td>23 Feb -3rd March 2013</td>
<td>4 months</td>
</tr>
<tr>
<td>Second Update to CRMU</td>
<td>November 2013.</td>
<td>7 months</td>
</tr>
<tr>
<td>Third Update to CRMU</td>
<td>17-27th June 2014</td>
<td>7 Months</td>
</tr>
<tr>
<td>Fourth Update to CRMU</td>
<td>19-27- January 2015.</td>
<td>6 months</td>
</tr>
<tr>
<td>Fifth update to CRMU</td>
<td>21-25th September 2015</td>
<td>7 Months</td>
</tr>
</tbody>
</table>

The IRM Action plan updates following each of these supervision missions clearly state the dates when these missions have taken place.

### 2.3 Public Consultation with the Communities

**Action Plan 5.1: Expand the functions of the Medupi Central Information Office (MCIO) to also serve as a center where grievances can be reported and where Eskom can gain feedback from communities on the project activities.**

Whereas the IRM report states that the quality of supervision and implementation of the Plan by Management “would be served by stronger attention to the underlying community concerns”, it is Management’s position that in all the supervision missions undertaken, community concerns have been a central element and Management has reported to CRMU/IRM on all social issues relevant to the Action Plan, including, among others, updates on issues concerning graves, public/community engagement as well as community concerns on the issue of sand mining. Within the framework of implementing the IRM Action Plan, Management is aware of community concerns that revolved around specific concerns and has taken action as follows:
<table>
<thead>
<tr>
<th>Community concerns</th>
<th>Action Taken</th>
</tr>
</thead>
<tbody>
<tr>
<td>Concern over desecration of graves</td>
<td>Consultations have continued with affected families and another Heritage Impact Assessment commissioned whose results have been shared with affected families.</td>
</tr>
<tr>
<td>Need to translate meetings and documents into local languages</td>
<td>All meetings (including EMC meetings) have translation provided.</td>
</tr>
<tr>
<td>Need to provide feedback to communities on various project related issues</td>
<td>EMC public meetings conducted in public meeting places in each of the main areas of Lephalale Municipality, for example in Marapong, and topics range from feedback on sand mining, air emissions, among other. Minutes of these meetings have been submitted to CRMU.</td>
</tr>
<tr>
<td>Concern over impacts of sand mining operations on the Mokolo river</td>
<td>Management has worked closely with the national agencies (DEA and DMR among others), to ensure that community concerns are addressed and this, in part, led to suspension of all sand mining operations pending a detailed investigation into the matter. A detailed Action Plan is expected following the investigation.</td>
</tr>
</tbody>
</table>

Management further reports that Eskom has a Corporate Social Investment (CSI) program which has provided additional community support in areas that concern the community including, among others, providing a mobile clinic, rehabilitating schools, providing bursary programs for children from the community. These community interventions which address community concerns have been elaborated in previous reports submitted to CRMU/IRM.

The IRM report further alleges that **the Action Plan’s intention of establishing collaborative ties with community leadership has failed**. This again is misrepresentation of facts. In a recent meeting with cultural leaders from Mokuruanyane, Seleka and Shonguane, traditional Councils, they reported that Eskom has established cordial working relations and communication channels with the cultural institutions. The fact that EMC meetings are conducted in public meeting places nearer to communities is further testimony that the project is reaching out to local communities and their leaders. As standard practice now, the EMC holds regular public meetings as an integral part of its regular EMC meetings and in locations within reach of community representatives. Examples of such meetings, which have already been communicated to CRMU/IRM in the fourth update report include the following EMC public meetings:

- **30th September 2014** at the Traditional Council Offices, at Shongoane, which discussed the progress of the investigations on sand mining.

- **9th December 2014** at Ditheku Primary School, Marapong, Lephalale, which discussed, among others, the state of air quality in the Waterberg Region, and;
• 3rd March 2015 at Marapong during which feedback was provided on progress of the Heritage Impact Assessment (HIA).

In its third update to CRMU, Management also communicated the fact that there is interrelatedness in the activities of the various Medupi outreach initiatives (including the MCIO, EMC, CSI, and Medupi Leadership Initiative (MLI) on Employment/Training programs) and the Medupi Legacy Program. These initiatives, when viewed as a collective outreach package contribute to collectively establishing a strong engagement with the community in a manner which cannot be attributed to each of the initiatives on its own. A quick look at the minutes of the EMC meetings, submitted in previous submissions to CRMU, will reveal sessions where communities ask issues/grievances that concern them other than wait and report these through MCIO. However, the MCIO still remains available to any members of the community who have any grievances to present.

The IRM report also states that “much reliance in supervision was placed on analysis by Eskom officials instead of adding the social and environmental expertise from Bank staff to dig into the significance of the data.” Management confirms that there has been environmental and social (E&S) expertise in all supervision missions. Moreover, the Bank E&S experts who participate in these supervision missions have benefited from the close engagement with their World Bank counterparts as the missions are always undertaken jointly. Since 2012, Management has dedicated a team of E&S experts to this project and they therefore have the requisite institutional memory and insight on the E&S challenges on the project.

2.4 Regional Impact Assessments

| Conduct further Regional Assessment of Coal Based Energy Projects between South Africa and Botswana to build on the work already done. |

Management acknowledges that the Regional Environmental and Social Assessment (RESA) has been slow, as indicated in the IRM report. This is mainly due to the fact that the RESA is a major undertaking. It was intended to review the strategic, cumulative and transboundary implications of development of coal-based energy generation along South Africa and Botswana border, considering various development scenarios with potential impacts on air quality, water, economic, social, physical cultural heritage, climate change etc. Management can confirm that this task has been completed and the RESA report has been submitted to the Bank on 21 September 2015, following the last supervision mission of the Medupi Power Project. A copy of the final RESA study report is available upon request.

2.5 Compliance with the Integrated Water Resources Management Policy

| Action Plan 4.1: Follow up with DWA on status of the Mokolo-Crocodile Water Augmentation Project (MCWAP-2) and development of the effluent re-use and groundwater use. |

6
The Department of Water Affairs and Sanitation has continued to update Management on the Information on the current status of the Mokolo-Crocodile Water Augmentation Projects 1 and 2 (MCWAP-1 and MCWAP-2) indicates that the MCWAP-1 water supply, which was declared operational by the Department of Water and Sanitation (DWS) on 12th June 2015 had already started delivering water with a supply capacity of 30.5 million m³/year against an initial planned capacity of 14.5 million m³/year. This is estimated to be sufficient to run all six units of Medupi and 3 FGD units for the Medupi Project with the shortfall for the other 3 units to be supplied through the MCWAP-2. Thus contrary to the initial concern regarding water supply constraints to the project, and most especially the concern that the project would cause water supply stress to other users, Eskom is working together with the relevant Government authorities to ensure there will be sufficient water for the project without compromising needs of other users. Moreover the DWS also reported that the current designs for the MCWAP-1 are planned to allow for environmental reserves for release into the environment to maintain environmental flows.

2.6 Action Plan 4.2: Follow up on the DEA, DMR, DWA and DAFF Task Team decision on the sand mining issues.

As reported in the fourth update submitted to CRMU/IRM, this action awaits the outcome of the sand mining enforcement action commissioned by the DEA and the DMR. As of September 2015, the report of the sand mining blitz had not yet been circulated, but is expected to guide the way forward.

2.7 Desecration of Graves and other Heritage Issues

Action Plan 6.1: Engage Marapong community to reach an understanding and closure on the issue.

Community engagement to resolve this issue is still ongoing with the recently concluded the HIA phase 2 which has developed an Action Plan for further engagement between Eskom and the affected communities. Eskom continues to engage with the affected families to ensure the action plan arising from the HIA is implemented to their satisfaction.

3. Conclusion

In view of the orientation of the reporting in the IRM’s first monitoring report focusing mostly on reporting what is perceived to be omissions and not necessarily to examine what progress has been made on various components of the IRM Action Plan approved by the Boards, Management is concerned that the orientation of the IRM monitoring mission seems to have dwelt more on what they perceive as not done and less of what they found had been progress made. The most part of the IRM report contains statements like “the Monitoring team also found little attention given to building stronger understanding…..; “the team found considerable skepticism among civil society about the reliability of current air quality data provided by Eskom” ... For instance, some of the concerns of the IRM report, specific to the Operational-phase Environment Management Plan.
(OEMP) like “the Monitoring Team was only able to review a draft that was clearly not in final form” begs a procedural query as to whether it is not good to review a document in its draft form so that the feedback on the draft can inform the peroration of a final report.” Moreover, Management, in its supervision mission of 19-27 January 2015, reported to CRMU/IRM updates regarding the approval of the final OEMP by the DEA on 4th July 2014. The IRM report also expresses concern over changes in timelines for various deliverables (such as completion of the OEMP and FGD delivery schedule among others) and changes in activities like scheduling of supervision missions. It is Management’s view that on a project of this scale, changes in timelines should be expected.

Management is further concerned that the authorship of the IRM report seems to expect Management to take over the management of the project from Eskom and the relevant South African Government agencies and not just provide oversight support. This certainly is not the intention when it comes to implementation of the ESMP for the project. It should be noted that like in all Bank financed operations, once the project is fully complete, it will be handed over to Eskom and Management will have no further direct role to play, hence the need to build Eskom’s capacity to sustain the work needed to ensure compliance to the environmental and social safeguards requirements. It is the mandate of the Bank to ensure that during project implementation, adequate capacity is built within the implementing agency so that it is retained once the Bank is no longer involved.

Considering that the project is currently in transition from the construction phase to the operational phase, with one generation unit (Unit 6) already operational, Management is satisfied with the progress that Eskom continues to make to put in place mechanisms (such as installation of ground water and air emissions monitoring stations for baseline data collection). It should also be noted that all actions undertaken by the project are subject of environmental authorization by the DEA and are therefore being undertaken with due regard to the national environmental laws and as a matter of obligation on the part of Eskom. Management is committed to continue playing its support role to ensure that the project fulfills its commitments in the CEMP, the OEMP, as well as the IRM Action Plan. In this regard, the next update to CRMU/IRM is under preparation following the supervision mission of September 2015.
Annex

Summary of issues raised in IRM report

<table>
<thead>
<tr>
<th>IRM Action Point</th>
<th>Position In IM Report</th>
<th>Management response</th>
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<tbody>
<tr>
<td>2.1 Monitoring of the CEMP Implementation</td>
<td>“No comprehensive and independent data” collected by Management other than that obtained from Eskom,</td>
<td>Purpose of supervision missions is to assess progress made on the various IRM Action Plan issues in particular and project progress in general, and provide support and guidance based on fact finding site visits as well as receipt and review of progress reports submitted by Eskom either prior to the mission and/or during the mission period. In addition, The Bank also receives monitoring reports, on a monthly basis, from the Independent Environment Control Officer (ECO), who is on site full time representing the South African Government’s Department of Environmental Affairs (DEA) which is the Agency mandated to enforce compliance to environmental licensing and authorization conditions on the project. Susan Slabbert is appointed by the DEA as ECO at the Medupi Power Station. She leads a team of 5 DEA officers with different areas of expertise working under her. The ECO continues to monitor and report on environmental issues (such as noise, dust, air quality, ground water, potable water, waste handling etc.) to DEA and the Environmental Monitoring Committee (EMC) monthly. Susan and her team have been on site since the start of Bank own supervision in 2013. The DEA has its own ambient monitoring sites in the area as the agency mandated to enforce project authorization conditions by law. Management cannot substitute this role. Moreover, at the time of project approval, the project was required to put in place adequate environment monitoring systems and institutional mechanisms to ensure implementation of the Construction-phase ESMP and report on this to the Bank on a quarterly basis. The expectation therefore was not to create other parallel mechanisms for confirming data generated through the projects monitoring systems. In addition, the project has been subjected to independent audits by independent organizations, one of which was by the International Organization for Standardization (ISO), who accredited the project for ISO 14001 certification, on the basis of</td>
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sound environment management systems put in place to ensure environmental compliance. The monitoring/verification system at the Medupi Power Station, is a combination of two data collection, analysis and reporting sources. The first is performed by Eskom and the second by the DEA, to guarantee the validity of the system in place. The soundness of the environmental management system is assessed by ISO 14001 certification body. All of which attest to the robustness of the system in place for verification and ensure compliance.

The IRM report seems to expect Management set up independent monitoring systems and/or take over the management of the project from Eskom and the relevant South African Government regulatory agencies and not just provide oversight support. This certainly is not the intention when it comes to implementation of the ESMP for the project.

| IRM team found “considerable skepticism among civil society about the reliability of current air quality data provided by Eskom” | Eskom submits its air quality monitoring data to competent national regulatory agencies which also have their own independent monitoring infrastructure and these agencies would be the best to have raised doubt in Eskom’s data. To-date these agencies have not, to the best of Management’s knowledge, raised any doubt on Eskom’s monitoring data. Eskom has had the opportunity to regularly present its monitoring data (for ground water and ambient air quality and other aspects of environment monitoring) to the public through public meetings organized by the Environment Monitoring Committee (EMC) and in which some Civil Society Organizations (CSOs) have participated. In addition, the DEA has its own website, where the results of its activities are disclosed in the public domain. Every year, DEA presents the State of Air Report which provides an analysis of the quality of air in South Africa based on the observations from the air quality monitoring stations across the country. Further, the results of DEA’s monitoring sites (see example for the Waterberg area: http://www.saaqis.org.za/AQDownloads.aspx?type=Waterberg) are made available on the South African Air Quality Information System (SAAQIS) web site (http://www.saaqis.org.za/). SAAQIS, provides a common platform for managing air quality information in South Africa. It makes data available to stakeholders including the public and provides a mechanism to ensure uniformity in the way air quality data is managed i.e. |


| 2.2 Conduct of Project Supervision Missions | IRM report alleges that allegations that Management undertakes supervision missions on the project on an annual basis and states that “12 months between supervisory visits for review of the Action Plan is inadequate in meeting the needs for information by the Boards”. | Since 2013 upon approval of the IRM Action Plan, the project has been supervised as follows:

2013: **twice** 23 Feb -3rd March 2013 and November 2013 (ie; 7 months in between)

2014: Once in 17-27th June 2014 and seven months from previous supervision.

2015: **twice** 19-27– January 2015 and 21-25th September 2015. It is therefore not true to claim Management supervises the project on an annual basis. |

| 2.3 Public Consultation with the Communities | IRM report states that the quality of supervision and implementation of the Plan by Management “would be served by stronger attention to the underlying community concerns”, Implying that the supervision did not actually pay attention to community concerns | Management’s position that in all the supervision missions undertaken, community concerns have been a central element and Management has reported to CRMU/IRM on all social issues relevant to the Action Plan, including, among others, updates on issues concerning graves, public/community engagement as well as community concerns on the issue of sand mining.

Consultations have continued with affected families and another Heritage Impact Assessment commissioned whose results have been shared with affected families.

EMC public meetings are conducted in public meeting places in each of the main areas of Lephalale Municipality, for example in Marapong, and topics range from feedback to communities on sand mining, air emissions, among others. All meetings... |
(including EMC meetings) have translation provided as was demanded earlier by members of the community.

In addition Eskom has a Corporate Social Investment (CSI) program which has provided additional community support in areas that concern the community including, among others, providing a mobile clinic, rehabilitating schools, providing bursary programs for children from the community. These community interventions which address community concerns have been elaborated in previous reports submitted to CRMU/IRM.

The IRM report further alleges that “the Action Plan’s intention of establishing collaborative ties with community leadership has failed”.

In a recent meeting with cultural leaders from Mokuruanyane, Seleka and Shonguane, traditional Councils, they reported that Eskom has established cordial working relations and communication channels with the cultural institutions.

The fact that EMC meetings are conducted in public meeting places nearer to communities is further testimony that the project is reaching out to local communities and their leaders. These EMC public meetings have also been conducted in community halls owned by Traditional Councils. This information has previously been communicated to CRMU in earlier updates.

Management also previously communicated to CRMU/IRM the fact that there is interrelatedness in the activities of the various Medupi outreach initiatives (including the MCIQ, EMC, CSI, and Medupi Leadership Initiative (MLI) on Employment/Training programs) and the Medupi Legacy Program. These initiatives, when viewed as a collective outreach package contribute to collectively establishing a strong engagement with the community.

The IRM report also states that “much reliance in supervision was placed on analysis by Eskom officials instead of adding the social and environmental expertise from Bank staff to dig into the

Management confirms that there has been environmental and social (E&S) expertise in all supervision missions. Moreover, the Bank E&S experts who participate in these supervision missions have benefitted from the close engagement with their World Bank counterparts as the missions are always undertaken jointly. Since 2012, Management has dedicated a team of E&S experts to this project and they therefore have the requisite institutional memory and insight on the E&S challenges on the project.
| significance of the data. | Management acknowledges that the Regional Environmental and Social Assessment (RESA) has been slow, as indicated in the IRM report. This is mainly due to the fact that the RESA is a major undertaking. It was intended to review the strategic, cumulative and transboundary implications of development of coal-based energy generation along South Africa and Botswana border, considering various development scenarios with potential impacts on air quality, water, economic, social, physical cultural heritage, climate change etc. Management can confirm that this task has been completed and the RESA report has been submitted to the Bank on 21 September 2015, following the last supervision mission of the Medupi Power Project. (a copy of the final RESA study report is available upon request). |
| 2.4 Regional Impact Assessments | The IRM report indicates that progress on Regional Environmental and Social Assessment (RESA) has been very slow. |