



Kalynovka Solar Project

Stakeholder Engagement Plan

23 November 2018

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Glossary of terms

Term	Definition
Consultation	Consultation is a two-way process of dialogue between the project sponsor and its stakeholders. Stakeholder consultation is about initiating and sustaining constructive external relationships over time.
Grievance Mechanism	Procedure provided by a project to receive and facilitate resolution of affected communities' concerns and grievances about the project's environmental and social performance.
Environmental and Social Impact Assessment (ESIA)	A forward-looking instrument that is able to proactively advise decision-makers on what might happen if a proposed activity is implemented. Impacts are changes that have environmental, political, economic, or social significance to society. Impacts may be positive or negative and may affect the environment, communities, human health and well-being, desired sustainability objectives, or a combination of these.
Information Disclosure	Disclosure means making information accessible to interested and affected parties (stakeholders). Communicating information in a manner that is understandable to stakeholders is an important first and ongoing step in the process of stakeholder engagement. Information should be disclosed in advance of all other engagement activities, from consultation and informed participation to negotiation and resolution of grievances. This will make engagement more constructive.
Stakeholders	Stakeholders are persons or groups who are directly or indirectly affected by a project, as well as those who may have interests in a project or the ability to influence its outcome, either positively or negatively.
Stakeholder engagement	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.

Source: Based on EBRD Performance Requirements and International Finance Corporation Good Practice Handbook on Stakeholder Engagement (2007)

1 Introduction and project summary

1.1 Overview

The European Bank for Reconstruction and Development (EBRD) is considering a potential loan to Vita Solar LLC, a project company created with the purpose of constructing and operating the 13.5 MWp Kalynovka Solar plant (the project), located within the Mykolaiv region of Ukraine. The project will be completed in compliance with the policy requirements of the EBRD.

The project has been categorised as Category B in accordance with the EBRD's Environmental and Social Policy 2014, which means that its potential adverse future environmental and social impacts are typically site specific and/or readily identified and addressed through mitigation measures.

This Stakeholder Engagement Plan (SEP) is designed to promote the project's approach to stakeholder engagement throughout its lifecycle and has been developed towards the end of the construction phase, to coincide with the involvement of EBRD in the project. The scope of this SEP covers the remainder of the construction phase and the operational phase.

1.2 Objectives of this Stakeholder Engagement Plan

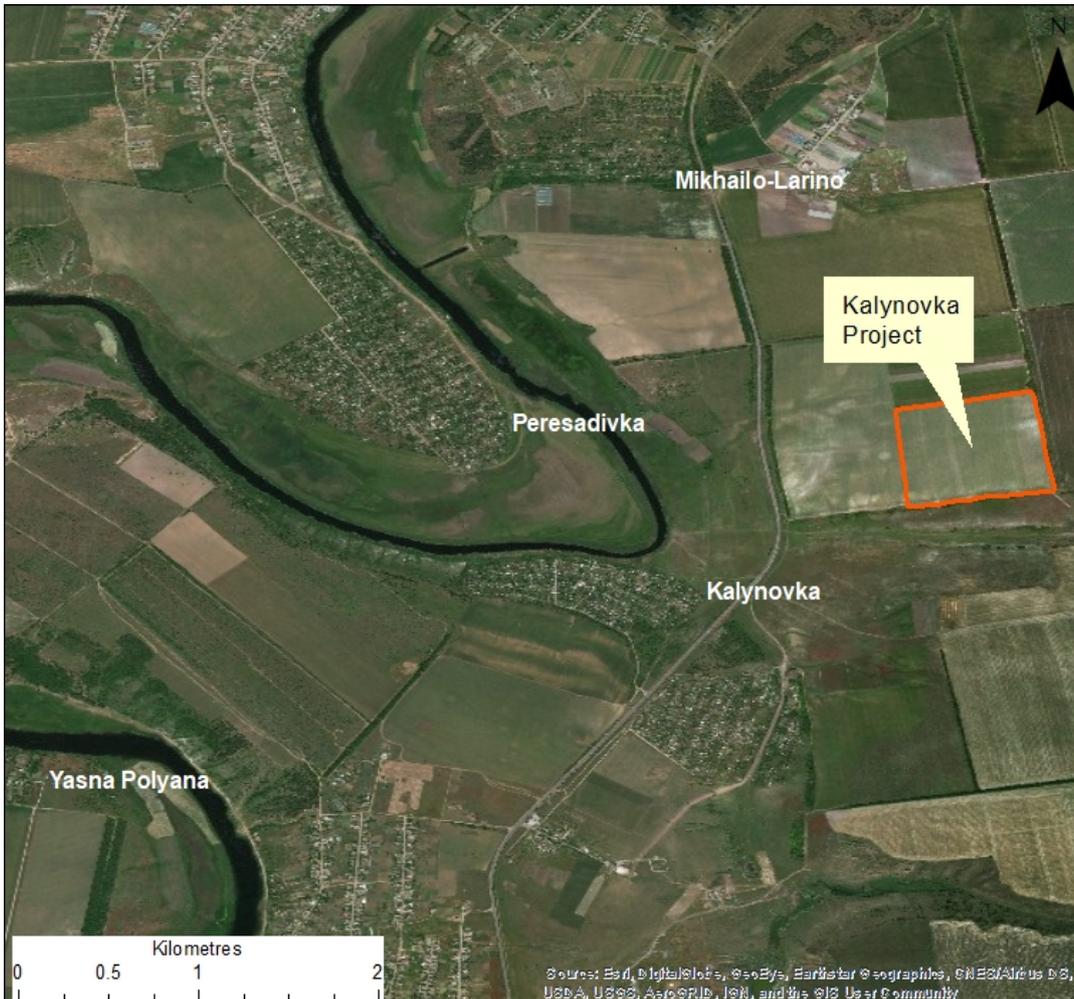
This SEP is a strategic document for planning a comprehensive and culturally appropriate approach to consultation and disclosure for the lifecycle of the project. The purpose is to provide a strategy for the project which:

- Defines the project's legal requirements concerning disclosure and consultation.
- Identifies stakeholder groups that could be affected or may have an interest in the project.
- Ensures that such stakeholders are appropriately engaged through a process of information disclosure and meaningful consultation on environmental and social issues that could potentially affect them.
- Maintains a constructive relationship with stakeholders on an on-going basis through meaningful engagement during project implementation.
- Provides a grievance mechanism to allow communities and other stakeholders to register complaints, queries or comments that are addressed in a timely manner by the project.
- Plans for stakeholder engagement which is free of manipulation, interference, coercion, and intimidation and is conducted on the basis of timely, relevant, understandable and accessible information in a culturally appropriate format.

1.3 Project description

The Kalynovka project, located within the Mykolaiv region of Ukraine and approximately 20km northeast from Mykolaiv city centre, extends over approximately 20.2 hectares. Prior to the start of the construction phase in July 2018, the project area consisted of undeveloped pastoral land. Immediate surrounding areas consist of agricultural land (wheat production) towards the west, east and north, and undeveloped pastoral land towards the south. The nearest villages include Kalynovka, Mikhailo-Larina, Peresadivka and Yasna Polyana. The administrative centre of the Mykolaiv Oblast, Mykolaiv, is located approximately 20km away.

Figure 1: Project location



Source: Mott MacDonald

The project area will support up to 39,000 solar panels and the associated ancillary infrastructure components, including a switchgear box building (on site) and underground electrical cables positioned within trenches connected to an overhead transmission line (OHL) 2 km southeast of the project. Outside the project area, the existing OHL, operated by the national grid operator and connected to a substation positioned approximately 8km southwest from the project, will be subject to an improvement programme undertaken by the EPC contractor in order to export electricity from the project.

The construction phase was initiated in July 2018, with commissioning scheduled for January 2019.

1.4 Project participants

Vita Solar LLC is wholly owned by the sponsor (TIU Canada), which is a Kiev based Merchant Power Operating Company (MPOC) governed by Ukrainian regulations. TIU Canada is owned by Refraction Asset Management Ltd, a Canadian based energy investment fund which has operated within the solar, oil, and gas industries since the 1990s.

Vita Solar LLC has contracted Helios Strategia as the EPC contractor, which will also operate the project.

1.5 Project justification

The EBRD Environmental and Social Policy (ESP) 2014 and PRs necessitate that the Environmental and Social Assessment should identify and analyse project alternatives, including site location, technology and a 'no project alternative. No alternatives to the project have been considered, however, the project will have limited impacts on the surrounding area, so analysis of other alternatives is unlikely to identify a lower impact alternative whilst realising the project benefits including a sustainable supply of energy and some local employment benefits. The no project alternative was also not found to be preferable as the project benefits would not be realised.

1.6 Previous consultation activities

Information disclosure and consultation has been carried out for the project as part of the national environment permitting process and under the provisions of the Aarhus Convention and the laws of Ukraine.

A 'Resolution of Voskresenskaya territorial community on the development of a Detailed Plan of Territory for construction of a solar plant' (№258) was published on 10 July 2018 with the aim of notifying people about the transfer of land use from agriculture to energy. Information about the project and this resolution was presented to participants in Ukrainian during the public hearing held in August 2017. At the hearing, the Head of Voskresenskaya territorial community (which includes the village of Kalynovka and others) outlined the resolution and stated that no comments or claims had been received from the local community.

The public hearing participants, including 28 members of the public were given the opportunity to comment during the meeting and no comments were put forward. The village warden of Kalynovka confirmed during the meeting that the village was in support of the project.

To date, no objections to the project or complaints have been raised in the course of the consultation process, or since the start of the construction phase in July 2018.¹

1.7 Plan structure

The remainder of this SEP is structured according to the following sections:

1. Stakeholder engagement requirements
2. Identification of stakeholders and communication methods
3. Stakeholder engagement programme
4. Public grievance mechanism
5. Reporting

¹ Based on a review of the public hearing documentation, interviews with the Kalynovka chief warden and two members of the local community undertaken in November 2018

2 Stakeholder engagement requirements

2.1 Overview

This chapter sets out the regulatory requirements relevant to the involvement of stakeholders in the project. This SEP has been produced to meet the legislation and policy regulations of the Government of Ukraine and to meet the information disclosure, consultation and stakeholder participation requirements of the EBRD. These requirements are summarised below.

2.2 National regulations

National legislation² mandates broad public involvement in decision-making processes. Ukraine is a signatory to the Aarhus Convention, which requires public access to environmental information and decision-making³. Ukraine is also a signatory to the United Nations Economic Commission for Europe (UNECE) Espoo Convention which requires that consultations be conducted with affected parties before final decisions are made concerning the EIA documentation. In the case of the Kalynovka project, the impacts are limited and so a full EIA was not required to be carried out, however a public hearing was required and conducted for the change in land use from agriculture to energy.

2.3 EBRD requirements

The project is seeking finance from the EBRD, and thus will be structured to meet EBRD's 2014 Environmental and Social Policy (ESP) requirements for Category B projects including Performance Requirement (PR) 10: Information Disclosure and Stakeholder Engagement, and to satisfy the Bank's commitment to disclosing project information as set out in EBRD's 2014 Public Information Policy (PIP) document.

The EBRD's ESP defines stakeholder engagement as an on-going process which involves:

- Public disclosure of appropriate information
- Meaningful consultation with stakeholders
- An effective procedure or mechanism by which people can make comments or raise grievances

The process of stakeholder engagement should begin at the earliest stage of project planning and continue throughout the life of the project. The EBRD requires that stakeholder engagement:

- Provides affected communities and other interested stakeholders with access to timely, relevant, understandable and accessible information, in a culturally appropriate manner, and free of manipulation, interference, coercion, and intimidation
- Involves stakeholder identification and analysis, stakeholder engagement planning, disclosure of information, consultation and participation, a grievance mechanism, and ongoing reporting to relevant stakeholders

² Including Law of Ukraine "On regulation of urban development" CMU of 25 May 2011 555 number, DBN A.2.2-1-2003 et al.

³ UNECE Aarhus Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters

- Is proportionate to the nature and scale of the project and its potential adverse impacts on the affected communities, the sensitivity of the environment, and the level of public interest
- Is based on clearly defined roles, responsibilities, and authority as well as designated personnel of the Company to be responsible for the implementation and monitoring of consultation and disclosure activities

Special provisions will be made to identify individuals and groups that may be differentially or disproportionately affected by the project because of their disadvantaged or vulnerable status, and to allow such groups or individuals to be informed about project information and give their views on the project where appropriate.

3 Identification of stakeholders and communication methods

3.1 Overview

Project stakeholders are people and groups who (i) will be affected by the project, (ii) are likely to be interested and/or (iii) could influence the outcome of the project. These individuals and groups have been identified, including analysis on the best ways to engage with them, according to the media that they are likely to use and be most comfortable with.

Stakeholders with diverse perspectives on the project can contribute to new understandings of local circumstances and/or project impacts, risks and benefits leading to identification of further opportunities for action. Over time it will be necessary to modify the list of stakeholders and /or methods of communication to meet changing circumstances. The project Sponsor will therefore undertake periodic reviews of their stakeholder analysis.

3.2 Stakeholder identification and analysis

A stakeholder mapping exercise was carried out to provide a strategically focused stakeholder list with targeted means of engaging with them. An analysis of project stakeholders, interests, and suggested communication and consultation methods is summarised in Table 1.

Table 1: Identification of stakeholders and consultation methods

Stakeholders	Communication methods
Internal stakeholders	
Temporary construction workers, subcontractors, other non-employee workers	Information in contract, bulletin board, training, grievance procedure
External stakeholders	
Community members	
Members of Kalynovka village	Public hearing, project website
Members of other villages within 5 km of the project, including Mikhailo-Larina, Peresadivka and Yasna Polyana	
Members of local community who provide project workers with accommodation and catering services	Public hearing, face to face contact
Private landowners and farmers who have sold land to project	Private meetings, public hearing, project website
Land users including informal users that made use of land prior to acquisition (if any)	Private meetings, public hearing, project website
Sensitive receptors and vulnerable populations, if identified throughout consultation processes ⁴	Private meetings, public hearing, project website
Non-governmental and civil society organisations	

⁴ None identified as of November 2018

Stakeholders	Communication methods
	Private meetings and public consultations
NGOs – local, national or international ⁵	Project website, direct communications if requested
Governmental agencies	
Regional State Administration of Mykolayevskaya region	Official meetings and public hearing
Department of Environment and Natural Resources of Mykolayevskaya region	Official meetings and public hearing
Department of Urban Development and Architecture of Mykolayevskaya region	Official meetings and public hearing
Voskresenska territorial community	Private meetings and hearing
Kalynovka Village Council	Private meetings, public hearing, project website

3.3 Encouraging participation of women and vulnerable⁶ groups

The EBRD requires that specific attention is paid to impacted women and vulnerable groups to ensure that their views are heard, recorded and taken into account in project planning and implementation. The sponsor recognises that vulnerable, marginalised and disadvantaged groups are likely to experience impacts differently from mainstream society. However disadvantaged and vulnerable groups have not been identified during the project planning or construction phase to date (November 2018).

Given the limited negative impacts expected to affect communities, and the construction phase drawing to a close in January 2019, there is little scope for impacts being felt disproportionately by vulnerable groups.

However, further work will take place throughout the project lifecycle to identify any individuals and groups that may be differentially or disproportionately affected by the Project because of their disadvantaged or vulnerable status. This may include individuals/groups such as those with disabilities or limited education who may be particularly susceptible to project-related impacts.

⁵ Examples could include Fund for Development of Mykolaiv City and public health NGO “Time Life”, however no NGOs have expressed an interest in the project to date (November 2018).

⁶ As defined in the EBRD’s ESP vulnerable groups refer to people who, by virtue of gender identity, sexual orientation, religion, ethnicity, indigenous status, age, disability, economic disadvantage or social status may be more adversely affected by project impacts than others and who may be limited in their ability to claim or take advantage of project benefits. Vulnerable individuals and/or groups may also include, but not be limited to, people living below the poverty line, the landless, the elderly, women and children headed households, refugees, internally displaced people, ethnic minorities, natural resource dependent communities or other displaced persons who may not be protected through national legislation and /or international law.

4 Stakeholder engagement programme

This section describes the main activities that will be undertaken during the short remaining time in the construction phase and on an on-going basis throughout the life of the project.

Table 2 outlines the specific consultation and disclosure activities, their sequence and responsible parties. Specific timeframes within the construction phase will be updated following the sponsor's finalisation and confirmation of the construction schedule.

Table 2: Stakeholder Engagement Programme

Activity	Timing/detail	Responsibility
1) Construction Phase Engagement		
Lenders' disclosure	TBC	EBRD
Disclosure of Non-Technical Summary (NTS) and grievance mechanism in Ukrainian to surrounding villages within 5 km, to be distributed via village wardens	TBC	Vita Solar LLC
Disclosure of workers' grievance mechanism	TBC	Vita Solar LLC/Helios Strategia
Ongoing community liaison and grievance process	Ongoing	Vita Solar LLC
Regular updates of website, in newspapers and on radio	Ongoing	Vita Solar LLC
Update SEP	Annually	Vita Solar LLC
Annual reporting to affected communities on environmental and social performance	Annually	Vita Solar LLC
Announce end of construction phase and movement into operations	At end of construction	Vita Solar LLC
2) Operation Phase Engagement		
Ongoing community liaison and grievance process	Ongoing	Helios Strategia
Update SEP	Annually	Helios Strategia
Annual reporting	Annually	Helios Strategia

4.1 Roles and responsibilities

Vita Solar LLC will be responsible for translation of materials into Ukrainian, the publication of relevant documents and ensuring they are distributed to the appropriate stakeholders, development and maintenance of a project web page, as well as publication of relevant media notices.

Vita Solar LLC has appointed a community liaison officer (CLO), who will be responsible for the following activities:

- Managing the implementation of this SEP
- Community liaison and arranging communications with communities
- Management of the grievance mechanism

- Attending and recording stakeholder engagement activities and maintaining regular lines of communication with key stakeholders

4.2 Community Liaison Officer (CLO) contact information

All general comments, queries and grievances can be submitted to the CLO or voiced through the dedicated feedback telephone number as shown below:

- Name: Oleksandr Gliadchenko
- Company: LLC TIU1
- Postal Address: 01001, Kyiv, str.Volodymyrska, 18/2, appt.17
- E-mail address: ogliadchenko@tiucanada.com
- Project Website: www.tiucanada.com
- Dedicated Grievance Telephone Number: +380503582247

5 Public grievance mechanism

5.1 Overview

Having a grievance mechanism is an EBRD requirement for the project. Using the mechanism must be voluntary activity for the complainant. As required, this grievance mechanism permits anonymous complaints, respects the confidentiality of the role players involved, and protects both the complainant and the company from retaliation. The public grievance mechanism is based on the principles of being legitimate, accessible, predictable, equitable, transparent, rights compatible, continuous learning, and dialogue based. The grievance mechanism can be used to determine lessons learned and identify ways for continuous improvement.

A grievance can be defined as an actual or perceived problem that might give grounds for complaint. As a general policy, Vita Solar LLC and its contractors will work proactively towards preventing grievances through the implementation of impact mitigation and management measures and community liaison.

Anyone will be able to submit a grievance to the project if they believe a practice is having a detrimental impact on the community, the environment, or their quality of life. They may also submit comments and suggestions. Any type of issue can be raised. The sections below present the project's grievance resolution process and consider confidentiality and anonymity.

5.2 Grievance reporting and resolution

The main steps for handling grievances are: receive, categorise, acknowledge, investigate, respond, allow for recourse/appeal and follow-up, and close out.

Grievances will be recorded in a formal logging system for which the CLO will be responsible. The grievance log will be separate from a stakeholder log which details interactions with communities and stakeholders. People may register grievances using the form in Appendix A or by contacting the CLO directly. Contact details for the CLO will be included in appropriate project communication materials such as the NTS.

The CLO will classify grievances according to Table 3. Where investigations are required project staff and outside authorities as appropriate will assist with the process. The CLO will collaborate with Vita Solar LLC or Helios Strategia's management, to identify an appropriate investigation team with the correct skills to review the issue raised. The investigation will also aim to identify whether the incident leading to the grievance is a singular occurrence or likely to reoccur. Identifying and implementing activities, procedures, equipment and training to address and prevent reoccurrence will be part of the investigation activities.

Table 3: Grievance Classification Criteria

Classification	Risk level (to health, safety or environment)	Response
Low	No or low	The grievance may not be related to project performance, it may be a comment, or a request. CLO will acknowledge complaint within 7 days and conduct an investigation if required. The CLO will document findings and provide a response within 30 days of receiving. The response is likely to have minimal cost in addition to time spent on addressing the issue.
Medium	Possible risk and likely a one-off event	CLO will acknowledge complaint within 7 days. The CLO and an appropriate investigation team will conduct investigation. The Site Manager or Occupational Health and Safety Manager may decide to stop work during the investigation to allow the corrective preventive actions to be determined. The CLO will provide a response within 30 days of receiving complaint. The corrective action is likely to be straight forward involving changing a piece of equipment or procedure which does not take long or have substantial cost implications to implement.
High	Probable risk and could reoccur	CLO will acknowledge the complaint within 7 days and will get the Project Manager to organise a major investigation team for prompt investigation and resolution. Work may be stopped in the affected area. The CLO will provide a response within 30 days of receiving complaint. If more time is needed to complete the investigation this will be communicated to complainant within 30 days of receiving complaint. As necessary the response will include a press release. The corrective action may be complex or sensitive involving changing equipment or a procedure which requires training of staff and has substantial cost implications.

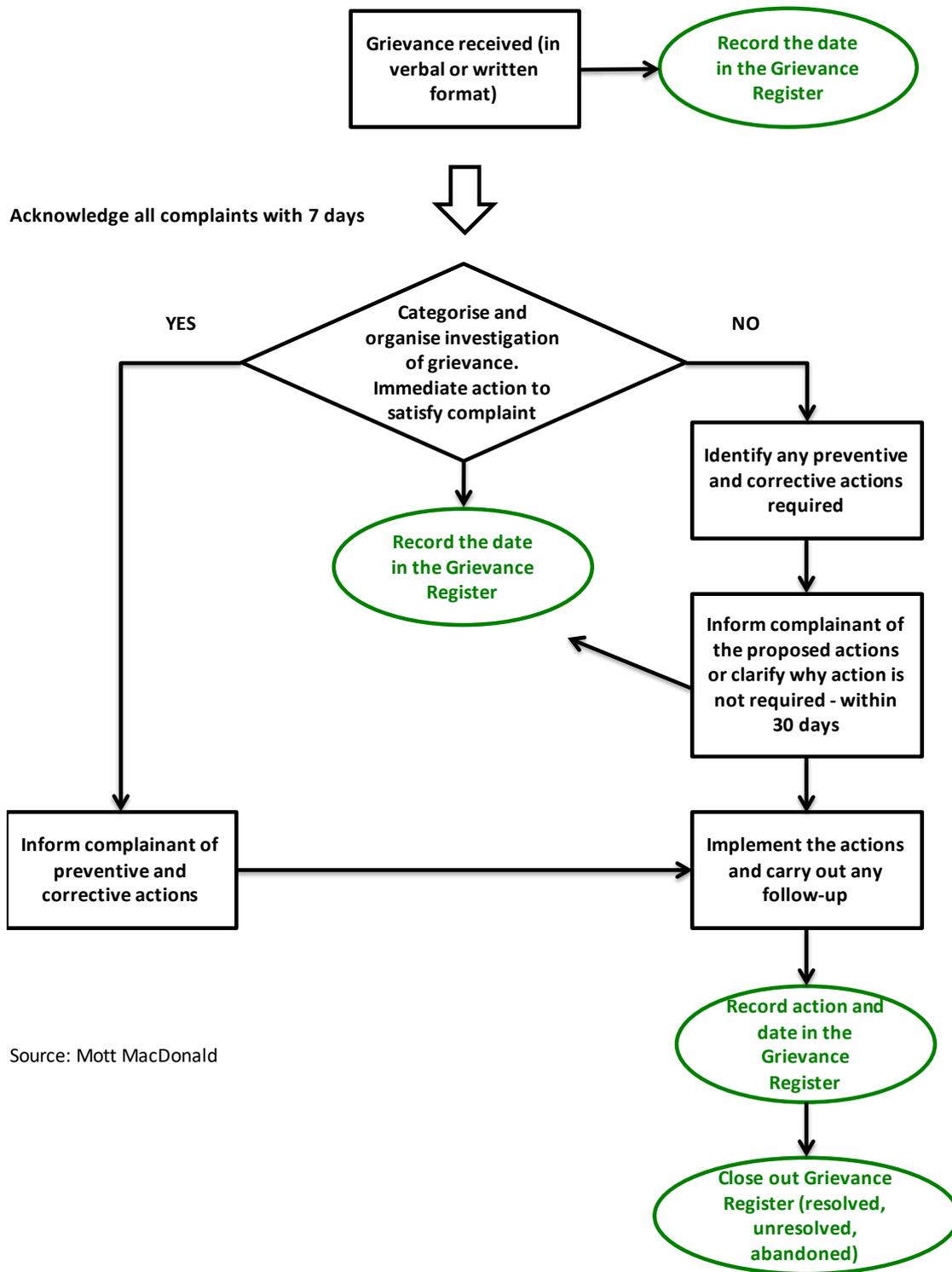
The CLO will explain to the complainant in writing (or where literacy is an issue, orally) the grievance review process, the investigation results, any changes to activities that will be undertaken to address the grievance, and how the issue is being managed to meet the project’s commitments and environmental and social management system. In some cases, it will be appropriate for the CLO to follow up at a later date to see if the person or organisation is satisfied with the resolution or remedial actions. The grievance will be closed out in the register as:

- Resolved - the resolution has been communicated, agreed and/or implemented.
- Unresolved - the complainant did not accept the proposed resolution and has appealed to other entities for resolution.
- Abandoned - the complainant is no longer contactable and efforts to trace whereabouts have been unsuccessful.

The CLO will summarise grievances weekly during construction and bi-annually during operation removing identification information to protect the confidentiality of the complainant and guaranteeing anonymity. The procedure will be at no cost and without retribution to the complainant and stakeholders. The procedure for processing grievances is depicted in Figure 2.

Figure 2: Flowchart for processing grievances

Flowchart for Processing Grievances



Source: Mott MacDonald

Grievances should be sent to the contact shown in section 4.2, where possible by using the form provided in Appendix A. Grievances may also be raised via Helios Strategia in the construction phase.

5.3 Confidentiality and anonymity

The project will aim to protect all individuals' confidentiality and will guarantee anonymity in annual reporting. Individuals will be asked permission to disclose their identity in situations when Vita Solar LLC wants to reference the stakeholders. Investigations will be undertaken in a manner that is respectful of the complainant, following the principle of confidentiality. The complainant will need to recognise that there may be situations when disclosure of identity is required and the project will identify these situations to see whether the aggrieved party wishes to continue with the investigation and resolution activities.

6 Reporting

6.1 Stakeholder engagement plan reporting

This SEP identifies a number of key reporting activities. The SEP will be reviewed by Vita Solar LLC at least annually during its implementation and once the project is operational (please refer to Table 2) in order to assess whether:

- The type of consultation and disclosure activities are appropriate for the different stakeholders
- The frequency of consultation activities is sufficient
- Grievances are being adequately dealt with
- The stakeholder list remains appropriate and whether engagement should cease or be extended to any stakeholders

Additional updates influenced by the project development may be required.

6.2 Community liaison officer reporting

The CLO will be responsible for:

- Listing disclosure activities, adverts placed in newspapers and other media, press releases
- Keeping minutes of consultation meetings with dates, venue, list of participants and photos
- Retaining original written consultation correspondence including comments left as evidence of the process and outcomes
- Grievance logging and tracking: Each grievance will be logged, given an identification number and followed through by recording details and timing for their resolution and closing out

6.3 Annual reporting

A project specific report summarising project performance, including stakeholder engagement and grievances, will be produced at the end of the construction phase for affected communities. Information about the project during its operational phase will be included in the sponsor's annual reports.

6.4 Performance evaluation

Performance of stakeholder engagement will be evaluated against the goals and objectives set out in this SEP. The evaluation will review to what extent the SEP activities have been completed and how the identified goals have been achieved. Evaluation results and any lessons learned will be incorporated in the respective SEP updates.

Appendices

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A. Grievance registration form

Full Name	
Contact Information Please identify 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?	English Ukrainian.....
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?	
Internal Use Only Grievance received by: Date: Reference number:	

B. Grievance log template

Table 4: Grievance log template

Number	Date received	Name/ Anonymous	Type of grievance	Classificatio n	Brief description	Person responsible for follow-up	Actions taken	Date resolved	Action taken to avoid future similar grievances

Source: Mott MacDonald