

5 SASOL NATURAL GAS PROJECT, MOZAMBIQUE AND SOUTH AFRICA

5.1 Introduction

5.1.1 Overview

This case study focuses on an environmental assessment process of the Sasol Natural Gas project which covers both Mozambique and South Africa. The project, now implemented, is based on the extraction of natural gas in Mozambique, its processing there and subsequent piping to South Africa and utilisation by Sasol, a major petrochemical company. The environmental assessment process for the project was wide ranging and so extensive that it necessitated being broken into seven separate environmental assessment processes. The case is of interest as it is very large, includes a linear pipeline, covers two countries and very diverse social and environmental conditions.

This case study is based on a review of project literature as well as interviews with a cross section of stakeholders involved in the process. It provides a description of the project and an overview of its policy and legislative context, a description of the environmental assessment and public participation process and an analysis of key aspects of the public participation process. Details of the references consulted and interviews are included in the final references section.

5.1.2 Project Description

The Sasol Natural Gas Project involves the extraction, processing and effective utilisation of natural gas reserves in the Inhambane Province of Mozambique. It includes the exploration and development of the gas fields, the establishment of a Central Processing Facility at Temane, and the construction of an 865km cross border pipeline between Temane in Mozambique and Secunda in South Africa. The project also entails the conversion of the Sasol industrial and domestic gas distribution network in South Africa, the conversion of the Sasolburg factory to utilise gas as its hydrocarbon feedstock and the conversion of Sasol's Secunda factory to utilise gas as a supplementary feedstock.

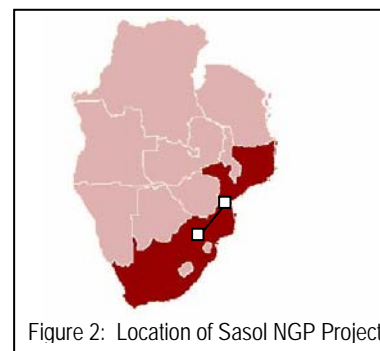


Figure 2: Location of Sasol NGP Project

The environmental assessment process took place in a context made up of diverse social conditions. These ranged from the sophisticated, cosmopolitan and highly diversified economic and associated social conditions to be found in South Africa, to the isolated, underdeveloped and traditional conditions to be found in parts of Mozambique. These characterisations were not exclusive to each of the countries, with both including elements of the conditions more common in the other. From a public participation perspective the diversified conditions were such that a highly differentiated participatory process needed to be followed.

5.1.3 Process and Procedural Context

A range of laws and regulations guided the environmental assessment process. These include those relating to environmental impact assessments, environmental management, the basis for

public participation, the access to and use of land, as well as the management of social impacts, in particular the resettlement of people. A summary of key laws and government policies relevant to the project is set out below.

a) Mozambique

The National Environmental Management Programme (NEMP)

The objective of the NEMP is to address environmental management as an important component of the government programme for poverty eradication and sustainable development. It is a policy document that outlines priorities for environmental management and provides the framework for environmental law. The NEMP consists of medium and long term sectoral plans which are aimed at encouraging sustainable development in Mozambique.

Environmental Law (Law 20/97)

The Environmental Law provides a legal framework for the use, and correct management, of the environment and its components, and to ensure sustainable development in Mozambique. All public and private activities in Mozambique that may directly or indirectly affect the environment must comply with the stipulated regulations. Activities listed in the regulations that are likely to cause significant environmental damage must be licensed.

Regulations for the Environmental Impact Assessment Process (Decree 76/98)

According to these regulations, an environmental impact assessment is mandatory for any project that may cause significant impacts due to its nature, dimensions, location or other factors¹. Activities identified in the regulations relevant to this project include²:

- Pipelines carrying oil, gas or minerals and underwater cables with a length equal to, or greater than, 25 kilometres;
- Programmes and projects involving the permanent transfer of population or communities; or,
- Programmes, plans and projects which may directly or indirectly affect sensitive areas such as coral banks, mangroves, native forests, small islands, swamps, habitat zones and ecosystems in extinction, underground water used for public consumption, areas of protection of springs and sources of water supply.

Public consultation is provided for in Article 7 of the Environmental Impact Assessment Regulations. Detailed regulations on public participation are currently being drafted.

Other laws and government policies that were relevant included:

- General Regulations on Hygiene and Safety in Industrial Plants – Diploma 48/73;
- Regulations for the Licensing of Industrial Plants – Decree 44/98;
- General Regulations on Urban Construction – Legislative Diploma 1976;
- Municipalities Law 2/97;
- Regulations for Public Civil Construction Works – Decree Law 48/71;
- Water Law 16/91;
- General Regulations for the Supply of Water – Legislative Diploma 2091;
- Protection of Fauna and Flora Reserves Law 10/99;
- Legislative Diploma 3057;
- Land Law (Law 19/97);

¹ EIA Regulations, Decree 76/98

² Appendix in EIA Regulations

- Regulations under this Law (Law 10/88);
- National Heritage Protection Law (Law 10/88);
- Hydrocarbons Law (3/2001); and,
- Draft Regulations/Guidelines for Petroleum Operation.

Civil Society Participation

The following factors support civil society participation within the governance process generally in Mozambique.

Article 22 of NEMP states that citizens have the right to stop any activity that is or may potentially be damaging to the environment. Citizens can take legal action against those who have violated or threaten their rights.

Access to information is guaranteed in Article 74 of the 1990 Constitution of Mozambique. This was followed by the promulgation of the Press Law (1991) which contains detailed provisions to ensure this right.

Access to participation is promulgated through the Environmental Impact Study Regulations. The Framework Environmental Law, Act No. 97 of 1997 is the enabling legislation for these regulations. No specific minimum requirements are provided for in the regulations.

The Land Act (Article 31) recognises the rights of local communities over land and natural resources, and promotes the involvement of rural communities fully in the management and conservation of natural resources.

Many non-statutory limitations exist within Mozambique, which hamper effective involvement of the public. These include limited human and institutional capacity, inconsistencies in the implementation of the EIA process in terms of the regulations and a lack of access to information by people living in rural areas.

Features of decision making:

The Department of Environmental Impact Assessment in the Ministry for Co-ordination of Environmental Affairs (MICOA) administers and reviews the environmental impact assessment process and ensures public participation in accordance with guidelines and regulations. MICOA is also responsible for the final approval of assessed development proposals.

Technical staff of MICOA are responsible for reviewing final environmental impact assessments in accordance with the requirements. These state that once compliance with the norms of the environmental impact assessment regulations (Article 9) are verified then the review shall be undertaken.

After approval of the environmental impact assessment and granting of an environmental license, the proponent can obtain the necessary licenses to implement the project³.

b) South Africa

The construction and operation of the South African section of the pipeline is governed by the following national and provincial laws and regulations:

³ Article 19 of the EIA Regulations

National Environmental Management Act (NEMA)

This Act requires that any activities that require authorisation or permission by law and that may significantly affect the environment, socio-economic conditions or cultural heritage, must be considered, investigated and assessed prior to implementation.

Environment Conservation Act

Regulations promulgated in terms of the Act make it mandatory that an Environmental Impact Assessment be conducted for transportation structures or the handling facilities for any substance which is dangerous or hazardous and that is controlled by national legislation. The Environmental Impact Assessment is used to approve, wholly or in part, or reject development proposals. The operation of a natural gas pipeline is therefore subject to the requirements of the environmental regulations.

The Environment Conservation Act stipulates that an environmental impact assessment process must:

- meet all the requirements of the national regulations concerning activities that could have a detrimental effect on the environment;
- encourage an open and constructive debate with interested and affected parties, as well as determine the scope of work of the study on the basis of the issues raised in this debate;
- follow the Integrated Environmental Management guidelines promulgated by the Department of Environmental Affairs and Tourism; and,
- be based on an approach that is tested with key authorities and other interested and affected parties before the initiation of the study.

The following additional legislation guided public consultation and disclosure on the natural gas project in South Africa:

- National Water Act (36 of 1998);
- Occupational Health and Safety Act (85 of 1993);
- Promotion of Access to Information Act (2 of 2002);
- Atmospheric Pollution Prevention Act (45 of 1965);
- Mpumalanga Nature Conservation Act (10 of 1998);
- National Forest Act (84 of 1998);
- Department of Water Affairs and Forestry Waste Management Series;
- Request to Register a Water Use in Mpumalanga (GN. 536, 2 June 2000);
- Major Hazard Installation Regulations (GNR 1097 of 16 January 1998);
- White Paper on the Conservation and Sustainable Use of South Africa's Biological Diversity (GN. 1095, 28 July 1997);
- Conservation of Agricultural Resources Act (43 of 1983);
- Endangered and Rare Species of Fauna and Flora Act (AN 1643 February 1984);
- Minerals Act (50 of 1991) and relevant regulations;
- Maputo Protocol on Health in the Southern African Development Community;
- National Heritage Resources Act (25 of 1999) and relevant regulations thereto;
- Hazardous Substances Act (15 of 1973) and relevant regulations thereto; and,
- The Gas Act (48 of 2001).

Permits and authorisations for the following were required for the construction of the pipeline:

- General environmental Approval;

- River and Stream Crossings;
- Disturbance of River Bank Vegetation;
- Abstraction of Water;
- Borrow Pits, Quarries and Sand Pits;
- Protected Plants;
- Waste Disposal;
- Graves and Archaeological Sites; and,
- Public Health.

Civil Society Participation

A range of factors promote civil society participation in South Africa, as discussed below.

Access to information is considered a constitutional right, as noted in Section 16 (1) (b) of the 1996 Constitution. The Constitution also places an obligation on the state to assist stakeholders in their quest to obtain information. The right to information was further cemented in the promulgation of the Promotion of Access to Information Act (3 of 2000) and with particular reference to mining, in Section 30 of the Mineral and Petroleum Resources Development Act (28 of 2002).

Access to participation is ensured in the EIA Regulations, the Environment Conservation Act and the National Environmental Management Act (No. 107 of 1998).

Features of Decision Making:

The environmental impact assessment process and the granting of environmental authorisations was administered by the Department of Environmental Affairs and Tourism (DEAT). The Department of Agriculture, Conservation and Environment of the Mpumalanga province also had governance responsibility.

The Environment Conservation Act makes provision for appeal by any person who is aggrieved by the decision made by the relevant authority. An appeal must be lodged in writing within 30 days from the date on which the record of decision was issued.

c) World Bank Operational Directives

The environmental and social reviews of this project were guided by World Bank Group guidelines. These included:

- Environmental and social 'safeguard' policies and recommendations;
- Specific guidelines developed primarily for the industrial sector; and,
- Other guidance and reference documents.

The following Operational Policies and Operational Directives were adhered to:

- OP 4.01 Environmental Assessment: states that all World Bank funded projects require an environmental impact assessment review or analysis to ensure that they are environmentally and socially sound. A full environmental impact assessment must be undertaken and a Public Consultation and Disclosure Programme must be prepared.
- OP 4.04 Natural Habitats: The World Bank does not support projects that involve significant degradation of natural habitats unless there are feasible alternatives and analysis demonstrates that overall benefits substantially outweigh environmental costs. If a project

would significantly convert or degrade natural habitats, the project must include mitigation measures acceptable to the World Bank.

- OP 11.03 Cultural Property: This covers sites with archaeological, paleontological, historical, religious and unique natural values including graves and cemeteries.
- OP 4.12 Involuntary Resettlement: Involuntary resettlement should be avoided wherever feasible, with all viable alternatives explored. Where it is not feasible, resettlement activities should be conceived in a sustainable manner, providing sufficient investment resources to enable the persons displaced by the project to share in its benefits. Displaced persons should be meaningfully consulted, and should have opportunities to participate in planning and implementing resettlement programmes.
- OD 4.30 Involuntary Resettlement: Aims to ensure that the population displaced by a project receives benefits from it. It has objectives that are closely aligned to those of OP 4.12.

5.2 Environmental Assessment And Public Participation Process

5.2.1 The Environmental Impact Assessment Process

The objectives of the environmental assessment process were to:

- Fully explore the environmental, social and economic impact of the proposed natural gas project;
- Assist in the determination of the location of the final pipeline route;
- Understand the possible consequences and identify mitigatory and enhancement measures;
- Incorporate the issues and concerns of affected stakeholders;
- Meet the requirements of the range of relevant international and national laws, as well as company and multi-lateral organisation policies on environmental assessment; and,
- Seek the approval of the relevant decision-making authorities for the proposed.

The stages through which the environmental assessment processes proceeded in Mozambique and South Africa contained similar elements, but differed in certain respects.

In Mozambique the processes proceeded through the following stages of activity:

- An internal process was conducted in cooperation with the Ministry for the Coordination of Environmental Affairs and other government departments to develop a Scoping Plan. This provided the basis for the subsequent implementation of the environmental impact assessment process;
- A phase followed in which the process was publicly announced and workshops and meetings were conducted in Maputo and at Provincial and District levels outside of the capital. These activities led to the formulation of a document by the project team which synthesised key issues;
- There followed processes of finalising terms of reference for specialist studies in coordination with the Ministry, and the subsequent appointment of specialists. One of the specialist studies was to include extensive public consultation;
- Following the completion of the specialist studies, two drafts of an Environmental Impact Report were prepared. The second draft was placed into the public domain for comment. This was associated with public hearings/meetings;
- Following this, a final report was prepared and submitted to the Ministry for a decision;
- Once the Ministry reached a decision it issued a Record of Decision; and,

- The process concluded with the drafting of an Environmental Management Plan for the design, construction and operation of the project.

In South Africa, the following was undertaken:

- An initial exercise of screening possible options for the corridor in which the pipeline would be located was undertaken by the environmental consultants working together with the project engineers. The result of this exercise was discussed with key high-level stakeholders in an invitation-only meeting;
- Thereafter a Draft Corridor Screening Report and a Scoping Plan were submitted to the Department of Environmental Affairs and Tourism, which gave the go ahead for the subsequent scoping process;
- A scoping exercise was then undertaken which involved: a public announcement of the exercise; public and authority open day events; the synthesis and initial assessment of key issues as well as the preparation of terms of reference for a subsequent environmental impact assessment; and, the preparation and submission to the authorities of a draft Scoping Report. The report was subsequently approved, giving rise to the next stage of the process;
- A process then followed in which specialist studies were undertaken and two drafts of an Environmental Impact Report were prepared. The second draft was placed in the public domain for comment. All comments received were synthesised and the draft report amended to reflect the comment;
- The revised Environmental Impact Report was consequently submitted to the Department for approval; and,
- Following approval of the report an Environmental Management Plan was prepared.

5.2.2 Public Participation Process

The objectives of the public participation process were to:

- Identify and involve all relevant stakeholders;
- Design and implement the public participation process so that it was appropriate to the diverse socio-economic conditions found along the entire route of the project;
- Identify and respond to stakeholder concerns and issues; and,
- Align the exercise with parallel processes of negotiation on land issues, as well as ongoing stakeholder engagement activities.

The public participation processes in Mozambique and South Africa were conducted as discrete exercises due to the differing conditions.

In Mozambique greater emphasis was placed on the participation process, with a focus on reaching out to the rural society in which the gas field and associated pipeline were to be located. In addition, high level actors from national, provincial and district governments were involved.

In South Africa, the process stressed high level actors at the national and provincial levels, with an associated process engaging with land owners along the proposed pipeline route.

The following methods were used in the public participation processes:

- Key stakeholder and authority workshops;

- Public open days (with graphic and other displays and demonstrations);
- Public meetings;
- Personal meetings;
- Community meetings and focus group discussions with local government and community leaders, non-governmental organisations and influential people in the study area;
- Semi-structured interviews with local leaders, farmers, fishers, hunters and other community role players;
- Formal questionnaire surveys; and
- Distribution of background information material.

In Mozambique, a national Project Liaison Committee was established at central Government level. It met monthly and was briefed by the project consultants. Stakeholders were identified early in the process and were kept informed during the course of the studies. Open days/public meetings with graphic displays were held in a number of venues along the pipeline route and at the gas field. Transport was provided to local and provincial government officials to attend these meetings.

A specialist study on socio-economic issues included a major component of public consultation. Within this exercise, approximately 270 families in 12 villages were interviewed who lived in close proximity to the proposed gas fields. Along the pipeline route, 287 households were interviewed during the environmental impact assessment in 24 villages. Semi-structured interviews were carried out with key people in the communities including traditional and religious leaders, farmers, businesspeople, fishers and other key members. The discussions centred on issues of concern to communities that would possibly be affected by the pipeline and the gas fields. Other information such as community knowledge about the location of important cultural and sacred sites in proximity to the pipeline and gas field infrastructure was sought.

In South Africa, stakeholders were identified through initial consultations and the public was invited to participate in public meetings through newspaper advertisements. Stakeholder from previous projects in Secunda and Sasolburg were consulted again and new stakeholders were added to the list. Stakeholders were notified by mail about the process, and about the availability of reports. After an initial workshop held with key stakeholders including government and non-government participants, open days were held in various venues along the route and around the affected sites.

Since the South African section of the pipeline is routed almost exclusively in privately owned land, communication with landowners was an important part of the study. Personal visits to these landowners for the purpose of right-of-way servitudes were conducted. Documentation about the project was distributed directly to farmers affected during the scoping and specialist study phases of the environmental impact assessment. A Draft Environmental Impact Report was distributed and personal communication with key stakeholders was undertaken. Stakeholders were given the opportunity to comment on this report.

In both South Africa and Mozambique, announcements were made about the location of reports and venues for public meetings on the local radio and in the national and local press. Stakeholders were also notified by post to review reports. Notices were posted on the pipeline route. Full sets of reports were provided to key stakeholders and information was made available to landowners, communities surrounding the pipeline and associated infrastructure and other stakeholders at different stages throughout the process. Full details of the environmental impact assessment reports were placed on the Sasol website.

5.3 Case Analysis

5.3.1 General

The overwhelming sense obtained from a review of this process and consultation with stakeholders is that it was a successful exercise. This is underscored by the fact that there were no major objections raised to the process at the point of its finalisation.

It is important to note that the environmental impact assessment process took place in a broader context in which a range of parallel activities were undertaken. These activities included processes initiated within Mozambique by Sasol to build relationships with stakeholders. In South Africa, there was a parallel process associated with negotiations over land needed for the construction of the pipeline. As a result, some of the stakeholders found it difficult to distinguish between activities, and could not specifically recall the environmental assessment process as a distinct exercise.

A further point of general importance is that there were distinctly different approaches adopted in the public participation process within Mozambique as against that undertaken in South Africa. This relates to the difference primarily in the context within which the activities took place, notably that related to land ownership and the composition of stakeholder groups. This is explained further in the section on process design below.

5.3.2 Sasol Stakeholder Engagement Strategy

A significant context for the environmental impact assessment process, particularly within Mozambique, was provided by the general approach of Sasol to stakeholder engagement within the country. The company sees stakeholder engagement as a fundamental aspect of its operations. From its first entry into the country, it sought to ensure success in this sphere of activity. At the time of establishing an office in the country, the company established what it termed an “interface” with all stakeholders.

In developing its stakeholder engagement strategy from that time it sought to build on best practice and prior experience. In doing so, it closely scrutinised a broad range of international documentation on stakeholder engagement, notably that produced by the World Bank. It also built on the experience of the Mozal smelter process within Maputo, which served to establish a number of significant high-profile lessons about stakeholder engagement. It also learnt from the experience of EDM, the national power utility company, with respect to linear projects within the country. A further set of lessons was drawn from the Maputo road corridor project, which like the Sasol Natural Gas Project had the dual characteristics of being both linear in nature and transboundary in that it covered both Mozambique and South Africa.

The company adopted a view that failure in the field of stakeholder engagement would be considered a general failure for the company. The country manager for the company said in an



The Community Liaison Group holds an information session with the community of Maimelane in the gas field, to explain progress in implementing the project

interview that if it did not succeed at stakeholder engagement it would “not have a project. Just look at Shell in Nigeria.”

The overall effect of the Sasol stakeholder engagement strategy was that it alerted the company to the range of dynamics associated with its stakeholders, appropriate communication strategies and approaches, and also established a climate within which stakeholders perceived the company and its initiatives in a positive light.

5.3.3 Role of Government

The role of government in relation to the environmental impact assessment processes in both Mozambique and South Africa was significant. Because of the transboundary nature of the process, there was a distinct difference in approaches on either side of the national border.

a) Mozambique

The national government of Mozambique started to implement its new set of environmental impact assessment regulations in 1999. The regulations did not include detail on what was required of a public participation process, which is only now being formalised. As a consequence, in the past, it had to “fight with investors” about issues related to including stakeholder engagement within environmental assessment processes according to a senior official. In the absence of formal regulations, government needed to make recommendations as to appropriate public participation processes for different environmental impact assessment exercises.

In the case of the Sasol Natural Gas Project, the government developed its approach to guiding the environmental assessment with input from the Southern African Institute for Environmental Assessment and the Netherlands Environmental Assessment Institute. According to the senior government official responsible, Sasol reacted well to the recommendations made and undertook all of the proposed activities.

The only circumstance in which any difficulty arose in relation to the Natural Gas Project was that related to pressures of time. In this context, Sasol sought to accelerate the process, whereas government insisted that sufficient time be given for public comment on the final products of the environmental assessment process. Effectively, the public participation process was developed in the absence of formal guidelines and was negotiated between the project team and government representatives. It was noted by the senior official referred to, that Sasol as a multinational company with international standards set a high standard for its process. It was prepared to discuss issues, and was committed with respect to social development.

A senior representative of an umbrella business organisation said that government played an important role in the environmental impact assessment process. Prior to this process, it had tended to allow industry to take the lead. In this case, however, it played the role of being both a regulator and promoter of development. From his perspective, government saw itself as being, and behaved like, a stakeholder. He welcomed this, saying that it reflected a general change of policy and intention from that which applied previously.

b) South Africa

Within the South African context, the national Department of Environmental Affairs and Tourism was responsible for establishing the terms of the environmental assessment process and reviewing its final outcome. A senior official within the Department indicated his satisfaction with the process. Of importance to him was the fact that the environmental assessment process took place in the context of a broader exercise of negotiating land rights with farmers along the proposed pipeline route. He said that this was an advantage to the process, given the fact that it was a linear project. He said that government had no objections to the negotiations occurring at the same time as the environmental assessment process. This allowed for a negotiated process with land owners prior to government being required to reach a final decision. He said that government wanted to know that there was agreement by all landowners before a record of decision was issued. This was based on previous experience in linear projects. It would also ensure that all landowners were consulted as part of the environmental impact assessment process. He added that it would also prevent landowners from being “bullied by a prior government record of decision”.

c) Trans-boundary government coordination

There was little co-ordination or contact between the respective governments of Mozambique and South Africa. It was noted by the representative of the South African government that such co-ordination would be advisable in future at a case officer level in order to ensure that common standards are adopted and that all interested and affected parties are involved in the process.

5.3.4 Stakeholder Issues

a) Nature of Stakeholders

A core issue was the distinct characteristics of the communities and stakeholders involved. Within the Mozambican context, there were a great number of stakeholders spread over a very long distance. This was made up of approximately 100 000 people spread over 565 kilometres of proposed pipeline and gas field. It included 6 towns, 10 villages and 85 small villages. It was made up of communities with diverse cultures and needs. In the South African context, there were far fewer stakeholders, made up primarily of high level stakeholders within the national and provincial levels of government, as well as key large-scale civil society organisations such as environmental non-governmental organisations. In addition, there were a targeted group of landowners who would possibly be affected. The processes in the respective countries consequently required different approaches and techniques.

The nature of the stakeholders involved varied significantly between Mozambique and South Africa. Whereas in both cases, national and provincial level government officials were actively involved, the Mozambican process was distinguished by it engaging to a greater extent at the local level.

It was agreed early in the process with the Mozambican Environmental Ministry that consultation during the environmental assessment would be focused on community level leaders. It would not be required that individual members of communities be consulted. This was



Consultation with a local chief

because at that stage it was not known which individuals would be affected by the proposed pipeline. There was a concern that too explicit an indication of the pipeline route would lead to squatting within the affected areas in anticipation of the possibility of expropriation payments.

Within South Africa, the consultants indicated that key stakeholders emerged early in the exercise through a key event explained further below. These were primarily national and provincial level officials, as well as selected non-governmental organisation groups. As indicated elsewhere, considerable emphasis was placed on negotiation with landowners in South Africa. It is interesting to observe that the landowners were very actively involved in the negotiation around land, but played a very small part in the environmental assessment process.

b) Language and Culture

Language and culture issues were significant informants to the design of the stakeholder engagement process. In the Mozambican exercise, Portuguese was the primary language within which public activities were undertaken. This raised a debate as to its practicality, given that numerous stakeholders would not be sufficiently conversant in the language to participate in activities. It was argued by the consultants who convened the process that due to the large number of local languages it was impractical to conduct the process in all of these languages. Reports were prepared in English which posed a further problem for Mozambican government officials who required them to be translated into Portuguese in order for them to reflect and comment on them.

Due to the nature of the communities engaged in the process within Mozambique, a number of traditional cultural issues emerged. The process was sensitive to these, particularly the social impact assessment activities. A senior official of a district government involved in the process said that local community members raised a fundamental concern that the graves of their ancestors would be disturbed by the proposed pipeline. Through a process of consulting with traditional healers, the matter was addressed and a means found for addressing the concern.

c) Stakeholder Capacity

Another fundamental issue with respect to stakeholders was that related to their capacity to actively be involved in the assessment process. It can be generally observed that stakeholders within Mozambique were at a distinct disadvantage with respect to their involvement. Not only were they unfamiliar with such processes, but they also in many cases lacked the material means to become actively involved. This included not having the means to cover the costs of transport to get to meetings, accommodation where this was necessary as well as subsistence costs. It was soon discovered that representatives of government were personally out of pocket due to their involvement in the process. As a result, it was agreed that Sasol would cover the costs associated with their participation in the process, either through providing them with a lump sum amount to cover their expenses, or through making the necessary arrangements for their transport, accommodation and subsistence.

A further area of limited capacity was the restricted knowledge that stakeholders had about the environmental assessment process and the substantive issues involved. It was suggested by one of the consultants that the reason that there was very little comment on the process and suggestions about making changes to it was due to a lack of knowledge and experience among stakeholders in this respect. Great effort was taken at the initiation of the process, notably by

Sasol, to inform stakeholders about the proposed pipeline. Many were unfamiliar with the technology and it required careful explanation, particularly for isolated rural communities.

d) Stakeholder Issues

As indicated elsewhere in this chapter a broad range of issues and concerns were raised by stakeholders during the course of this exercise. The key concerns were those related to rights of access from rural residents to areas to be traversed by the proposed pipeline; the impact of the pipeline on traditional practices and sites, such as burial grounds; the potential for job creation associated with the project; and, the possible alienation of land for purposes of the pipeline construction.

e) Stakeholder Conflict

There was a very low level of conflict within the process, with only one major issue arising. This related to a landowner being in dispute regarding land rights on various portions of land identified for the course of the pipeline. This development, in the Badplaas area in South Africa, was based on an objection raised by an individual landowner after publication of the environmental impact report. He sought to create a large reserve in the area, which included land on which agreements had been reached regarding the pipeline. He had options to purchase on certain of these land portions. Through a process which involved negotiations between the parties' respective lawyers, it was agreed to re-route the pipeline for a short section so that the possible conservation land use that he sought would not be pre-empted.

The reason for the low level of conflict associated with this process can be attributed to a variety of factors. In the South African case a significant reason was that a major issue around which there was conflict potential was removed from the mainstream of the environmental assessment process. This served to allow for a dedicated process of reaching resolution on this issue – the land negotiations – in a way that did not impact on the assessment exercise. Another area in which there was the potential for conflict was in the selection of the pipeline corridor. Significant care was taken in how this exercise was undertaken and how stakeholders were involved in it. The targeting of high level stakeholder for this aspect of the process also contributed to the management of conflict.

In the Mozambican case the context for stakeholder engagement in the environmental assessment process provided by Sasol's strategy with respect to stakeholders contributed to creating a conducive environment. Also, the differentiated approach to targeting distinct levels of stakeholder for the differing aspects of the exercise also helped. This saw higher level stakeholder being involved in the broader discussion regarding the project's impacts, while lower level actors became involved in discussions regarding immediate impacts. This served to manage the participation of stakeholders so that agendas did not become confused and could remain focused.

5.3.5 Resources

a) Budgets

The scale of budgets and resources available for the environmental assessment processes varied. The stress of the process fell on Mozambique with extensive participatory activities allocated to it. In the context of other environmental assessments undertaken in that country, the

public participation budget was considered to be very large by the consultants. This, it was observed by a consultant involved, placed a burden on other companies who would find it difficult to replicate the extensive process if they did not have the same resources at their disposal.

Within South Africa, the process was less intense with respect to stakeholder engagement. The co-ordinating consultant attributed this to a smaller budget being available. A comparison between activities undertaken in Mozambique and those in South Africa show that there was far more extensive consultations within the former country, including a range of meetings and ongoing contacts with individual communities to deal with specific issues. This is discussed in great detail below. The South African process was built around a single introductory meeting targeting high-level and national stakeholder groups, including government, civil society, and business actors, as well as a series of open house events during the period when the draft environmental impact report was available for public comment. In addition, there was a formal process of seeking written comment on the draft report.

b) Consultants

The independence of the consultants in the process was called for by both governments involved, and also supported strongly by the company. Sasol environmental practitioners worked closely with the environmental assessment team, while respecting the team's independence. Sasol's country manager in Mozambique indicated that the company had access to the team but did not seek to influence it. Stakeholders at the community level indicated that the consultants had behaved in a sensitive and responsive manner.

5.3.6 Process Related Activities

a) Alternatives

A key design issue was whether a wide range of alternative corridors within which the possible pipeline could be located would be discussed with the public. It was concluded that this would introduce such a wide range of variables to the exercise that it would make it virtually impossible to manage. As a result, an internal process conducted by the consultants together with a group of engineers selected a single corridor within which the assessment of a possible pipeline route would consequently occur. This was done with the concurrence of the national departments in the respective countries. This was termed a pre-screening exercise. A pre-screening document was prepared which sets the direction for stakeholder discussion. Within South Africa, a single high-level meeting of about 40 stakeholders, not including local stakeholder groups, was convened to reflect on the pre-screening report. Stakeholders were informed about the process leading to the selection of the corridor and encouraged to reflect on the document. If they raised any fundamental concerns, the issue would be opened for discussion. No fundamental concerns with the selection of the corridor was raised.

b) Public Events

A set of public meetings was held during the course of the process. In South Africa, there was a single initial meeting with a select group of stakeholders, followed by a series of open day events which addressed the draft impact report. Attendance at the latter was poor. According to the consultant, this was due to most of the key national stakeholders being satisfied with being in correspondence concerning the project. Local stakeholders were primarily farmers who were

directly engaged through the land negotiation project and were thus satisfied with the latter as the means for their involvement. In Mozambique, public meetings were held in each of the provinces affected by the pipeline. There was varied participation in these while relatively good numbers attended. A concern raised by one of the consultants was that it was generally an elite that participated in these events, which were conducted in Portuguese and so excluded a large proportion of the population.

In reflecting on the process, the co-ordinating consultant was of the view that in future such processes should have more public meetings and better opportunity for open public dialogue.

c) Social Impact Assessment

A fundamental part of the environmental assessment process with its own distinctive stakeholder engagement activities was the social impact assessment process. Undertaken by Mozambican sub-consultants, the exercise was strongly based on the participation of community level actors. The assessment involved two surveys. One was a quantitative survey, while the second was a set of qualitative interviews with different categories of stakeholders. These were particularly important as they involved people who did not participate in the public meetings. Many of those interviewed were not literate or did not read or understand Portuguese, and consequently could not read adverts calling people to meetings. A less formal means of dialogue was adopted. Two retired people who knew local languages and cultures were trained to conduct relatively informal interviews with local stakeholders. The results of these discussions were fed into both the public participation and the social impact assessment exercises. The social impact assessment consequently had the effect of deepening the involvement of the public and stakeholders in the environmental assessment process.

d) Media Coverage

A concern raised about the process was that there was a generally low level of media coverage of it. While adverts were placed in the media advertising the process and events associated with it, there was insufficient pro-active effort to seek coverage and so promote a broad understanding and awareness of the exercise.

e) Parallel Activities

As indicated above, the environmental assessment took place in a context of a wide array of parallel activities. This included the strategy initiated by Sasol to promote stakeholder engagement within Mozambique. Within South Africa, Sasol had a long history of activity and engagement around a wide range of activities within the country. In addition, the environmental assessment process took place at the same time as the crucial negotiations regarding land on the South African side of the border. The consequence of this context was that stakeholders would have been engaged in a number of parallel activities involving the company. This would have both the positive consequence of raising the profile of the process, as well as their awareness of it. It would have the drawback, however, of not necessarily giving the environmental assessment process a distinct character.

The negotiations around land in South Africa were associated with the environmental assessment process, and as indicated above, were required to be concluded by the national Department responsible for finally approving the environmental assessment. The environmental assessment team worked in co-ordination with the Sasol Mineral Rights Division which

undertook the negotiations regarding the land issue. The Sasol negotiation team delivered background documents to farmers and introduced the environmental impact assessment at the same time as they discussed land issues. The documents distributed to stakeholders were explicit in stating that the environmental assessment was an exercise independent of the land negotiations. In interviews with farmers involved in the process, there appears to have been a positive response to the negotiations, although the environmental assessment could not be distinctly recalled by those interviewed.

5.4 Conclusions and Lessons Learned

The primary challenge faced in this participation process was to design and implement a process which would not only deal with the great extent of a large linear project, but would also accommodate highly diverse stakeholder groups. The approach adopted of sub-dividing the project into various parallel environmental assessment processes contributed significantly to finding a solution. Within each of the processes diverse approaches and techniques were adopted which were suitable for, and encouraged the participation of, the highly differentiated participating groups.

The participation process had the distinct benefit of deepening civil society participation, notably within Mozambique which is in the process of consolidating its democratic processes after years of colonisation and subsequent civil war. A range of the more specific benefits are set out below.

5.4.1 Benefits to Stakeholder Groups

The process led to certain distinct benefits accruing to stakeholder groups, including:

- Stakeholders had the opportunity to both grow their experience in environmental assessment processes, as well as grow their capacity to participate in such processes in future;
- The process led to many stakeholders being introduced to debates on the relationship between the Sasol Natural Gas Project and the broader political economy of the two countries involved; and,
- The many issues of concern raised by stakeholder groups were either directly addressed through the environmental assessment process, or indirectly through parallel processes.

5.4.2 Lessons about Techniques Used

The process identified the following specific lessons of relevance:

- Specialist studies can play a very significant role in mobilising stakeholder participation, as well as creating diverse and imaginative mechanisms for their substantive involvement;
- Caution needs to be taken in the selection and use of specific languages within environmental assessment processes as this can either facilitate or exclude the participation of key groups. The use of Portuguese as the main language of the process in Mozambique is a case in point;
- The process was useful in identifying the value of adopting distinct and diverse approaches employed in involving divergent groups. A “one size fits all” approach cannot be adopted in cases where the character and conditions of stakeholder groups vary markedly; and,

- The direct addressing of the practical capacity constraints of stakeholder groups can be learned from. Direct material assistance was given to stakeholders which allowed them to participate, where they might otherwise not been in a position to do so.

5.4.3 General Lessons

The Sasol Natural Gas Project process highlights a number of general lessons that can contribute to successful participation process including:

- Identify and involve the full spectrum of stakeholders in ways that are appropriate to various groups;
- Involve stakeholders from a political or social stratum that is appropriate to the stage of the project;
- Make a conscious effort to involve traditional communities and identify issues that are important to them;
- Ensure that stakeholders are involved appropriately in the process of considering alternatives as this is a basis for conclusions reached in the EA;
- Government agencies and officials can make significant positive contributions;
- Larger budgets for public participation allow scope for innovation and creativity;
- Discrete process may be required in different countries in transboundary projects;
- Factor parallel processes that may be associated with the environmental assessment, but outside of it, into the design and implementation of the participation process;
- An independent, constructive and ongoing stakeholder engagement strategy by a proponent can enhance the participation process in an EA; and,
- Consider conducting parallel negotiation process on issues related to, but not directly part of the EA.

5.5 List of Interviewees

(in alphabetical order)

Agenbach, Coenraad
Senior Official - Department of
Environmental Affairs and Tourism
Pretoria, South Africa
6 August 2004

Chibite, Manuel
Deputy Administrator - Chokwe District
Mozambique
13 August 2004

Cune, Joan
Macceretane Community Leader
Mozambique
13 August 2004

Jacobs, Barry
Game farm near Hectorspruit
South Africa
19 August 2004

Mangawe, Joao
AMAPIC
Maputo, Mozambique
12 August 2004

Munguambe, Felicidade
National Director - National Directorate for
Environmental Impact Assessment, MICOA
Maputo, Mozambique
12 August 2004

Mussica, Diogo
Chief of the Administrative Office for
Maceretane
Mozambique
13 August 2004

Mzucule, Alberto
Maceretane Community Leader
Mozambique
13 August 2004

Nel, Daan
Kinel Beleggings
South Africa
19 August 2004

Prinsloo, Marja
Formerly Sasol Environmental Practitioner
Johannesburg, South Africa
5 August 2004

Rassul, Mario
Consultant – Impacto
Maputo, Mozambique
12 August 2004

Rualgo, Imatio
Sasol Community Liaison Contractor
Maputo, Mozambique
12 August 2004

Steyn, Charles
Country Manager - Sasol Natural Gas
Project
Maputo, Mozambique
12 August 2004

Tembe, Eulalia
Sasol Social Development Manager
Maputo, Mozambique
12 August 2004

Uaila, Romualdo
National Directorate of Livestock, Ministry of
Agriculture and Rural Development
Maputo, Mozambique
12 August 2004

Van Zyl, Hennie
Valmar Farms
Nelspruit, South Africa
19 August 2004

Wood, Mark
Environmental Impact Assessment Co-
ordinating Consultant
Johannesburg, South Africa
5 August 2004

Zimba, Mateus
Sasol Natural Gas Project
Maputo, Mozambique
12 August 2004

