

RFP 136/2020 – National Water Reuse Programme: Programme Design and Preparation of a Full Funding Proposal to the Green Climate Fund (GCF)



Consultation and stakeholder engagement plan

Annexure 7

09 June 2023

This deliverable has been prepared by the Development Bank of Southern Africa with the support of Pegasys (Pty) Ltd in association with:

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- Amber Public Sector Consulting (Pty) Ltd;
- Clarity Global Strategic Communications; and
- Yubifin (Pty) Ltd.

All referred to as the 'Service Provider' in the Service Level Agreement executed between Pegasys and the DBSA on 10 January 2021.

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LIST OF ABBREVIATIONS

| | |
|--------------|--------------------------------------------------------|
| COE | Community of Experts |
| DBSA | Development Bank of Southern Africa |
| DCOG | Department of Cooperative Governance |
| DWS | Department of Water and Sanitation |
| GCF | Green Climate Fund |
| GTAC | Government Technical Advisory Centre |
| IFC | International Finance Corporation |
| MISA | Municipal Infrastructure Support Agency |
| NWPP | National Water Partnerships Programme |
| OECD | Organisation for Economic Co-operation and Development |
| PSC | Project Steering Committee |
| SA | South Africa |
| SALGA | South African Local Government Association |
| TCTA | Trans Caledon Tunnel Authority |
| WPO | Water Partnerships Office |
| WRP | Water Reuse Programme |

1. Introduction

1.1 Project Context

South Africa is a water scarce country, and its national water resource system is continually being subjected to pressures, with a potential 17% water deficit forecast by 2030. Several interventions have been initiated by national government already to avoid this projected water deficit with a key element of these interventions being to develop an enhanced level of diversification in relation to the “mix” of water supply sources. The South African National Water and Sanitation Master Plan (2018) makes a specific note of the need to reduce water demand and increase water supply through the “*re-use of effluent from wastewater treatment plants, water reclamation, as well as desalination and treated acid mine drainage*”.

At present, most effluent discharge and urban run-off are not reused and considering The South African National Water and Sanitation Master Plan note, the opportunity to initiate a framework for the scaled development of water reuse infrastructure is evident. To this end, the Development Bank of Southern Africa (the ‘DBSA’) has partnered with various government departments (including the Department of Water and Sanitation (the ‘DWS’), the Department of Cooperative Governance (‘DCOG’), and the National Treasury for the development of a National Water Reuse Programme (‘WRP’). In addition, as an Accredited Entity of the Green Climate Fund (‘GCF’), the DBSA also submitted a proposal to the GCF to support the design and implementation of the WRP in South Africa. Noting the importance of water reuse to diversifying the ‘water mix’ in South Africa, and the challenges and barriers to entry that exist in the development of these water reuse projects at scale, the development of a focussed programme to address these challenges and ultimately implement pathfinder projects is critical to contributing towards building a more resilient water future.

Pegasys (Pty) Ltd, (the ‘Consultant’) was appointed in January 2021 by the DBSA for the provision of specialist consultancy services in respect of this programme design for the implementation of the WRP in addition to the preparation of a full-funding proposal to the Green Climate Fund (GCF) (the ‘Assignment’).

1.2 Purpose of the Plan

The implementation of a national Water Reuse Programme (‘WRP’) through the scale-up of water reuse approaches and water reuse infrastructure in municipalities would significantly enhance water security in South Africa. A successful WRP should be able to demonstrably indicate that climate change resilience objectives will be achieved (by strengthening the country’s adaptive capacity against water stress and scarcity) and should be able to measurably maximize climate change mitigation in a manner that meets the criteria and requirements of the GCF, thus enhancing the probability of successful GCF funding being achieved.

Amongst others and noting that the implementation of the WRP will have certain implications on the national water sector, it is critical that during the design and development of the WRP, effective engagement is undertaken with key sector stakeholders. This may include the DBSA, the DWS, DCOG, the South African

Local Government Association (SALGA) and several others, (who collectively form what may be titled as a ‘Reference Group’ or a “Water Reuse Community of Experts” for the WRP) and there will be a need to undertake a number of engagements with the Reference Group and other stakeholders during the Assignment on a range of institutional, technical and financial issues.

The Reference Group does not constitute the primary Project Steering Committee (PSC) for the WRP or for the Assignment, but rather provides a vehicle for garnering inputs on specific programmatic aspects. The PSC for the Assignment will comprise of the DBSA, DCOG, MISA and the DWS and the PSC will be responsible for considering and approving all Consultant deliverables and for providing strategic direction and guidance to the Consultant.

The present consultation and stakeholder engagement plan (the ‘Plan’) outlines the Consultant’s approach and strategy for the Assignment and constitutes **Deliverable D1** as outlined in the Clause 4.2 of the Addendum to the Service Level Agreement entered by the Consultant and the DBSA (dated 10 March 2021).

1.3 Structure of the Plan

The Plan is structured into three other sections, as follows:

- Section 2 provides the Consultant’s consultation and stakeholder engagement approach, including reference to existing industry best practice;
- Section 3 describes key stakeholders and includes a list of key stakeholders; and
- Section 4 includes an indicative schedule of key engagements with the Reference Group and other stakeholders over the Assignment’s engagement period.

2. Objectives and Approach

The present section is aimed at providing a generic outline of the objective, importance and approach to developing a consultation and stakeholder engagement strategy.

2.1 Objectives of the Plan

Generically, a consultation and stakeholder engagement plan is a formal strategy to communicate with key project-related stakeholders to a) keep them abreast of key developments, b) ensure that their input is considered at critical project junctures and c) ultimately obtain their support for a project. A consultation and stakeholder engagement plan should be developed during the initial phases of a project to enable the achievement of effective engagement and should include the identification of key stakeholders and the prioritisation and structuring of major engagements with key stakeholder groups.

A clear and concise consultation and stakeholder engagement plan is the foundation for achieving stakeholder buy-in for the achievement of a successful funding proposal to the GCF and for the effective implementation of the WRP. In the context of the Consultant’s appointment for the Assignment, and noting that there are a number of key stakeholders that are currently involved or are forecast to be involved, a clear approach and strategy for the engagement of these stakeholders is required to establish the following:

- The stakeholders which should be engaged, their associated level of interest and influence in the development and implementation of the WRP;
- The frequency and level of engagement with each stakeholder through the Assignment-life (and beyond); and
- A programme of general engagements and key engagements both to enable the Consultant to achieve its mandate and enhance the chance of a successful funding proposal to the GCF for the implementation of the WRP.

2.2 Alignment with Best Practice

Industry best practice project management principles dictate that a consultation and stakeholder engagement plan should ‘*identify the strategies and actions required to promote productive involvement of stakeholders in decision making and execution*’. For a consultation and stakeholder engagement plan to align with best practice, it should include the following:

- A list of stakeholders inclusive of primary contact names;
- A stakeholder engagement approach including the envisaged type, frequency and level of communication with stakeholders.
- A list of envisaged stakeholders and their role in the project, assignment or programme; and

- A summary of project phases (or Consultant deliverables) through which varied levels of stakeholder engagement will be undertaken by the Consultant;

According to the OECD, stakeholder engagement for larger and longer running projects has trended away from the sole consideration of end users and regulators, and now requires engagement with a more diverse group of stakeholders who may have influences on water-related planning and decision-making, water-related infrastructure financing and implementation such as private sector water entities, land and property developers and long-term institutional (and potentially individual) investors.

2.3 Key Engagements in the Context of the WRP

In the context of the project’s engagement with stakeholders in respect of the Assignment and the production of key deliverables, the Consultant will engage with the WRP’s Project Steering Committee (PSC) in respect of strategic guidance on the Assignment and the approval of Consultant deliverables for the Assignment. As outlined in Section 1.2, the Assignment’s PSC will comprise of the DBSA, DCOG, MISA and the DWS and that PSC meetings will be scheduled and chaired by the DBSA. The Consultant may be invited to such PSC meetings through the DBSA, based on the stage of the Assignment.

The Consultant will engage with the PSC frequently and at key project stage-gates, while the larger WRP Reference Group may be consulted to provide feedback on the progress of the WRP and/or the Assignment as required to assist with identified tasks and/or deliverables. The intention is that Consultant deliverables will not be share all the deliverables with this wider Reference Group, but to rather use this as a sounding board to unlock or support in addressing key issues. Engagement with this wider Reference Group will be convened through the DBSA, with the Consultant presenting to the wider Reference Group a selection of pre-agreed findings or a summary of deliverables to date and/or the progress of the Assignment.

In the context of the Assignment, the stakeholders with the most influence, such as those stakeholders in the PSC, would need to be engaged frequently with at the most detailed level (with this type of engagement commonly referred to as a collaborative engagement), with diminishing degrees of frequency and detail of engagement until stakeholders only merely need to be informed of project-related developments (with this type of engagement commonly referred to as a communicative engagement). These varying degrees of engagement are shown on Figure 2-1.

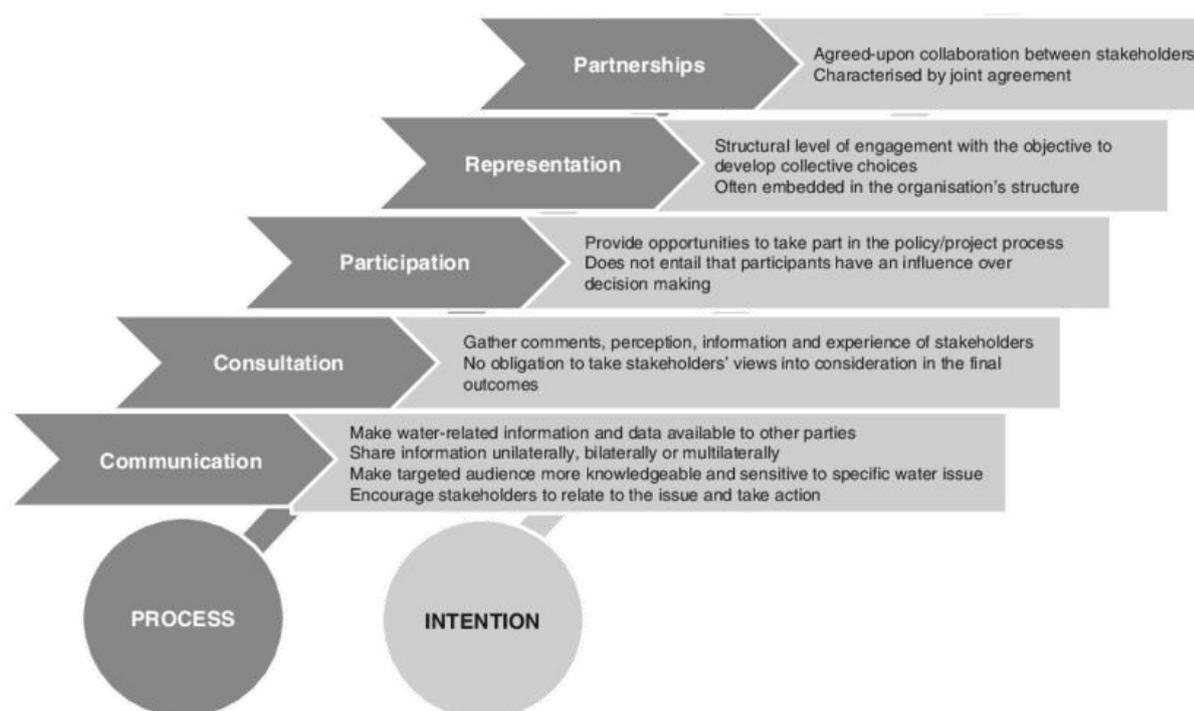


Figure 2-1: Levels of stakeholder engagement

(Source: OECD Best Practice Principles on Stakeholder Engagement In Regulatory Policy)

2.4 Engagement Approach

The present Consultation and Stakeholder Engagement plan has been developed based on a meeting between the DBSA and the Consultant (and the subconsultants) on 14 April 2021 whereby the DBSA proposed an initial version of an ‘umbrella’ National Water Partnerships Programme (NWPP) and WPO structure (shown in Figure 2-2) inclusive of the aforementioned stakeholder entities for a number of differing water sector initiatives comprising the NWPP (including the water reuse initiative).

Whilst it is well understood that the WRP is almost a pilot initiative; in its design, the design of its WPO and its implementation, the WRP must be developed in a manner such that it is entirely scalable to cater for the management needs of the larger NWPP. In this light, the present consultation and stakeholder engagement plan provides a guideline to the key stakeholders and the manner of stakeholder engagement, such that a similar approach may be replicated when scaling the NWPP to include additional water initiatives that may comprise aspects of the programme.

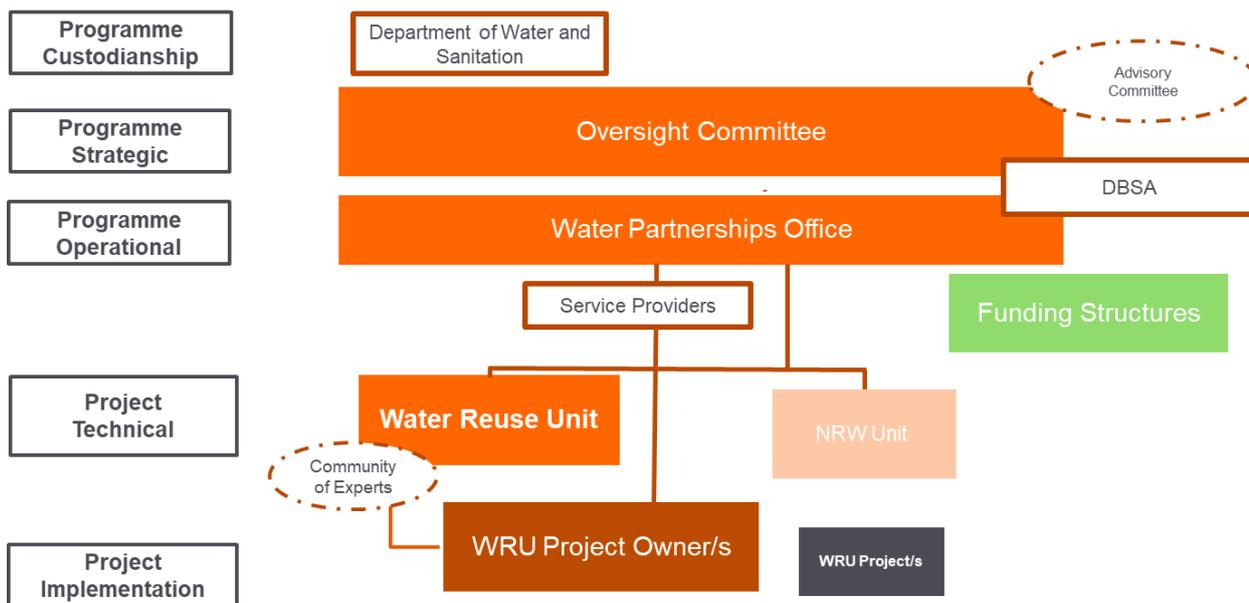


Figure 2-2: WRP governance framework

The manner of engagement with stakeholders has changed over the past 12 months in the context of COVID-19 considerations, and whilst this does mean that some engagements will not take place in person, the manner of engagement will be adapted accordingly. However, all stakeholder engagements will be based upon the following key principles, outlined below:

| | |
|---------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Stakeholder engagement arrangements</p> | <ul style="list-style-type: none"> • Responsibility: Any engagements with the PSC Stakeholders or the stakeholders from the wider Reference Group should be arranged and coordinated by the DBSA. Other engagements, such as those with the private sector, financiers may be requested and arranged by the Consultant, with the prior approval of the DBSA. • Timing: All engagements will be arranged by the Consultant through the DBSA at least 2 weeks in advance, but no less than 4 days prior to the proposed date of any stakeholder engagement meeting. • Attendance: The Consultant requires that a representative from the DBSA is present for each engagement with the PSC or with the wider Reference Group. |
| <p>Manner of stakeholder engagements</p> | <ul style="list-style-type: none"> • Engagement platform: <ul style="list-style-type: none"> ○ All engagements will be via telephonic or video conferencing platforms (such as Microsoft Teams, Zoom or similar). These platforms will enable the Consultant to undertake the stakeholder engagement more effectively in the context of COVID-19. |

- In-person engagements will only be undertaken in exceptional cases, following a formal request by the stakeholder and approval of such in person meeting by the Consultant's management
- **Language of engagements:** The language of engagement will primarily be English.
- **Structure of engagements:** All engagements will have an agenda, prepared by the Consultant, to guide the discussion, and meeting notes with a high-level record of discussions and actions will be documented and shared with the relevant parties, by the Consultant.
- **Level and detail of engagement with stakeholders:** Noting the range of stakeholders that the Consultant will engage during the life of the Assignment, it may be necessary to ascertain the level of engagement required for the various types of stakeholders as not every stakeholder can contribute equally or effectively to the effective implementation of the WRP concept. This manner of engagement aligns with the spectrum of engagement outlined in **Figure 2-1**, with some stakeholders that require to be actively engaged, versus those that may need to be informed or receive communications after an event.

Access to and sharing of requisite information

- Ensuring that stakeholders have access to information that will support their engagement will enhance engagement between the Consultant, the DBSA and the relevant stakeholders.
 - Access to project information (post the approval of such information) will be provided virtually prior to or shortly after engagements, dependant on the stage of the Assignment, or the stakeholder being engaged with. Any documentation and information made available to stakeholders will be subject to the prior approval of the DBSA. Further, as outlined in Section 2.3, Consultant deliverables will not be made available in their entirety to the wider Reference Group, but the Consultant may present a selection of previous findings or a summary of deliverables during such engagements with the wider Reference Group.
 - Non-Disclosure Agreements and other confidentiality provisions entered into between the Consultant and the DBSA (and other such relevant parties) during the life of the Assignment will be maintained, in line with the provisions of such applicable agreements.
-

3. WRP stakeholder mapping

The present section is aimed at providing details in relation to the key stakeholders for the WRP and an indicative stakeholder mapping exercise in relation to each key stakeholder individually and collectively.

3.1 Stakeholder Tiers

A stakeholder mapping and engagement plan should be developed to identify, classify, prioritise and structure engagements appropriately with key stakeholder groups through the lifecycle of a project. In the context of the WRP, it is envisaged that there will be three tiers of stakeholders, with each tier requiring a unique level of engagement as outlined in Table 3-1, viz:

- Tier 1: PSC stakeholders are the most critical of stakeholders.
- Tier 2: Entities that comprise the wider Reference Group including SALGA, the Water Research Commission (WRC), various water boards, institutional and commercial financiers of water- and wastewater-related infrastructure projects and large private sector water and wastewater treatment solution developers and operators.
- Tier 3: Entities that include local municipalities, civil society, religious and cultural bodies and research institutions.

3.2 Stakeholder List

As outlined above, there are numerous institutions and entities who will play a role or multiple roles in the development of the WRP. These roles may encompass policy-related issued, regulatory-related issued, implementation-related issued or service delivery-related issues. A non-exhaustive list of key discussion stakeholders and their envisaged role within the Assignment and the wider WRP vision is included in Table 3-1 below.

Table 3-1: Key discussion stakeholders and their associated roles and envisaged engagement within the WRP and NWPP

| Institution | Tier No. | Non-exhaustive list of anticipated roles within the Assignment and engagement within the WRP and larger National Water Programme |
|---------------------------------------------|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Department of Water and Sanitation (DWS) | 1 | <ul style="list-style-type: none"> • To creating an enabling environment for the WRP through the development of policy and regulatory framework; • To take ownership of decision making in relation to the WRP WPO |
| Department of Cooperative Governance (DCOG) | 1 | <ul style="list-style-type: none"> • To provides general capacity support to municipalities during the WRP implementation. • To administer the technical support to municipalities through the Municipal Infrastructure Support Agency (MISA) |

| Institution | Tier No. | Non-exhaustive list of anticipated roles within the Assignment and engagement within the WRP and larger National Water Programme |
|-----------------------------------------------------------------------|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Government Technical Advisory Centre (GTAC) and the National Treasury | 1 | <ul style="list-style-type: none"> To provide technical support to the WPO and to municipalities with the implementation of alternative project funding and financing approaches. To provide insights into fiscus and national budgetary considerations that may impact on the development of WRP-related projects. To provide assistance in the achievement of relevant statutory approvals. |
| Development Bank of Southern Africa (DBSA) | 1 | <ul style="list-style-type: none"> To provide a platform for project preparation to develop projects from which investors may select projects for investment. To provide management services to WPO for the WRP initially and ultimately for the NWPP. To provide staffing to the WPO through entering into employment and/or legal contracts with contracted and full time WPO employees. |
| South African Local Government Association (SALGA) | 2 | <ul style="list-style-type: none"> To provide local government inputs in terms of financing, policy, regulation and similar issues. To guide and support the participation of local government within the WRP. |
| Water Utilities/Boards and Water Service Authorities | 2 | <ul style="list-style-type: none"> To provide operational and implementation insights into the viability of the implementation of water reuse projects at scale. |
| Private sector water developers and service providers | 2 | <ul style="list-style-type: none"> To provide both end-user feedback and project development relating to the implementation of WRP-related projects. Examples of private sector water and wastewater infrastructure developers and service providers in South Africa include Veolia Water Technologies, WEC Water Projects, Silulumanzi and Siza Water (amongst others) |
| Financiers | 2 | <ul style="list-style-type: none"> Financiers may include commercial banks, development finance institutions, multilateral finance institutions, other commercial debt financiers and lenders and providers and credit enhancement instruments. Examples of commercial banks, lenders and providers and credit enhancement instruments for water infrastructure projects include Nedbank and Standard Bank of South Africa (amongst others). Examples of multilateral finance institutions or other development finance institutions for water infrastructure projects include the World Bank, the International Finance Corporation (IFC) and CDC Group PLC (amongst others). |
| Local and district municipalities | 3 | <ul style="list-style-type: none"> To provide insights into water and sanitation needs specific to the region under its governance. To provide needs-based support to the scoping and development of water reuse projects in the region under its governance. |
| Civil society organisations | 3 | <ul style="list-style-type: none"> To provide a representation for citizens' human and constitutional rights; and environmental rights. |

| Institution | Tier No. | Non-exhaustive list of anticipated roles within the Assignment and engagement within the WRP and larger National Water Programme |
|--------------------------------------------------------------------------------------------------------|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (resident's associations, community based organizations, non-governmental organisations, etc.) | | <ul style="list-style-type: none"> To provide enhanced oversight into the application of the applicable environmental, social and health safeguards during the construction and operation of water-reuse projects. |
| Water Research Commission (WRC) and other academic research institutions (UCT, Wits, Rhodes, NMMU etc) | 3 | <ul style="list-style-type: none"> To provide specialist technical input, oversight and validation for water supply and demand trends and water quality trends and requirements (amongst others). |

DRAFTING NOTE: In relation to the institutions listed in Table 3-1 above, and for the present consultation and stakeholder plan to contain a completed list of stakeholders, there may be a need for a 'point of contact' to be identified for each of the stakeholders. The DBSA should take a view as to whether the development of this a stakeholder list with point of contact details (with contact numbers / email addresses) is required at this stage.

4. Action Plan

The present section includes details relating to the WRP-specific consultation and stakeholder engagement strategy and an indicative schedule of engagements with the Reference Group and other key stakeholders.

4.1 General

In the context of the Assignment, the Consultant will undertake such engagements and consultations with the various stakeholders in the light of the proper and adequate preparation of Consultant deliverables for the Assignment.

It is noted from various discussions with the DBSA, specifically in relation to the design of a Water Partnership Office (WPO) for the WRP that there will be a number of key government and government-related stakeholders (such as the DWS, DCOG and National Treasury), which the Consultant will engage extensively with, through the DBSA. Further, there may be an advisory pool of experts involved in the WRP, in addition to participating municipalities, private sector entities and financiers (amongst others).

4.2 Schedule of Key Engagements

As outlined above, the Consultant will undertake stakeholder engagements and consultations to ensure that the production of deliverables is inclusive of stakeholder inputs and aligned to stakeholder rationale for the development of the WRP. However, in addition to these engagements, the engagement of key stakeholders throughout the Assignment will be imperative noting that a number of these stakeholders could potentially have significant roles in the longer-term future of the WRP. For this purpose, the establishment of the PSC , provides an opportunity for regular engagement with a core group of stakeholders throughout the Assignment.

Thus, engagement and consultations with stakeholders will be two-fold through the Assignment:

- Firstly, engagement with the PSC at critical points through the course of the Assignment (as included in Section 4.2.1 below); and
- Secondly, engagement with the PSC to ascertain their view in terms of the Consultant’s deliverables (as included in Section 4.2.2 below);

Beyond the aforementioned engagements, the Consultant may hold frequent touch-base and specific subject matter meetings between the DBSA and other identified key stakeholders. These will be important in the ongoing development of the WRP to identify issues and explore options as well as align expectations and will be arranged by the Consultant in conjunction with the DBSA as the Assignment progresses.

4.2.1 Engagements with the PSC

The proposed scheduling and focus of the Reference Group meetings is included in Table 4-1 below.

Table 4-1: PSC stakeholder engagements

| Stakeholder engagement meeting with Reference Group stakeholders | Indicative date of engagement | Brief description of engagement |
|------------------------------------------------------------------|--------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Key deliverable engagements | Ongoing and according to the Assignment schedule | <p>What: This initial engagement meeting with the PSC will be to provide an introduction to the WRP and the process of its design, the design of its WPO and the approach to the GCF for grant or concessional funding...</p> <p>Why: The aim of this engagement will be to ensure that stakeholders within the PSC are aware of the Consultant's appointment, the objective of the Assignment and the process from inception to a full WRP programme and WPO design and funding proposal to the GCF.</p> <p>Who: Key lead agents and technical contacts of PSC, the Consultant and the DBSA.</p> |
| Concept Note | Mid-June 2021 | <p>What: This engagement with the PSC will be to provide an introduction to the development of the Concept Note, and the required inputs or alignment required from the PSC.</p> <p>Why: The aim of this engagement will be to ensure that stakeholders within the PSC is aware of the inputs required for the drafting of the Concept Note to GCF, the GCF's requirements and the impact of the Concept Note on ultimately securing GCF funding for the WRP (and potentially the larger NWPP).</p> <p>Who: Key operational and technical agents of PSC, the Consultant and the DBSA.</p> |
| Draft Submission | Early August 2021 | <p>What: This engagement with the PSC will be to workshop the development of the draft funding proposal to the GCF and the required inputs or alignment required from the PSC.</p> <p>Why: The aim of this engagement will be to ensure that the PSC is aware of the inputs required for the drafting of the funding proposal to GCF, and the GCF's associated funding proposal requirements.</p> <p>Who: Key operational and technical agents of Reference Group stakeholders, the Consultant and the DBSA.</p> |

| Stakeholder engagement meeting with Reference Group stakeholders | Indicative date of engagement | Brief description of engagement |
|------------------------------------------------------------------|-------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Final submission | Early September 2021 | <p>What: This engagement with the PSC will be to finalize the full funding proposal to the GCF and align the Consultant's output to the PSC's perspective.</p> <p>Why: The aim of this engagement will be to ensure that the PSC is comfortable that their inputs into the full funding proposal to GCF have been considered.</p> <p>Who: Key lead agents and technical agents of PSC, the Consultant and the DBSA.</p> |

Source: Pegasys (Pty) Ltd

4.2.2 Engagements with stakeholders for Consultant deliverables

While the PSC will be engaged with most of the core project deliverables members of the Reference Group and identified key stakeholders will be engaged in the production of deliverables, thereby providing inputs and information that will shape deliverables. Such engagements will not necessarily involve the entire Reference Group but rather appropriately selected members, depending on the inputs needed. The proposed scheduling and focus of engagements with stakeholders in relation to Consultant deliverables is included in Table 4-2 below.

Table 4-2: Stakeholder engagements in relation to Consultant deliverables

| Deliverable No. | Deliverable description | Non-exhaustive list of stakeholders to be engaged for each deliverable | Indicative timing of engagement |
|-----------------|----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| D0 | Inception Report | N/A | Late - February 2021 |
| D1 | Consultation and stakeholder engagement plan | N/A | Mid - April 2021 |
| D2 | Strategic Case | N/A | Late - April 2021 |
| D3 | Market Study | <ul style="list-style-type: none"> • PSC • Reference group technical experts; • SALGA • Private sector water developers. | Late - May 2021 |
| D4 | GCF Concept Note | <ul style="list-style-type: none"> • PSC • Private sector water developers; • Financiers. | Mid - June 2021 |
| D5 | Risk Report | <ul style="list-style-type: none"> • DCOG; • SALGA; | Mid - June 2021 |
| D6 | Gender Action Plan | <ul style="list-style-type: none"> • Reference group social experts; • SALGA; • Civil society; | Mid - June 2021 |

| | | | |
|-----|--------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| D7 | Communications Strategy | <ul style="list-style-type: none"> • SALGA; • Water Research Commission • Civil society; • Local municipalities. | Late - July 2021 |
| D8 | Management Case | <ul style="list-style-type: none"> • PSC; | Late - July 2021 |
| D9 | Financial Architecture & Structure | <ul style="list-style-type: none"> • PSC; • Financiers. | Late - August 2021 |
| D10 | Procurement Plan | <ul style="list-style-type: none"> • PSC; • Local municipalities | Late - August 2021 |
| D11 | Environmental and Social Management Framework | <ul style="list-style-type: none"> • Financiers; • Civil society; • Water Research Commission | Late - August 2021 |
| D12 | Procurement Guidelines | <ul style="list-style-type: none"> • PSC; • SALGA | Late - August 2021 |
| D13 | Operational Case, Capacity and Capability Support Plan | <ul style="list-style-type: none"> • PSC; • SALGA; • Water Boards. | Late - September 2021 |
| D14 | Communication Implementation Plan | <ul style="list-style-type: none"> • DCOG; • SALGA • Civil society; • Water Research Commission | Late - September 2021 |
| D15 | Budget Plan | <ul style="list-style-type: none"> • PSC | Late - September 2021 |
| D16 | GCF Funding Proposal | <ul style="list-style-type: none"> • PSC | Late - September 2021 |
| D17 | Legal Due Diligence | <ul style="list-style-type: none"> • PSC | Late - September 2021 |
| D18 | Term sheet, Disbursement Schedule, Repayment Schedule | <ul style="list-style-type: none"> • PSC; • Financiers. | Late - September 2021 |
| D19 | Final WRP Design and Implementation Plan | <ul style="list-style-type: none"> • PSC | Late - October 2021 |

4.3 Engagements Held

The process to develop the Water Reuse Programme was undertaken in an iterative and engaged manner during the difficult conditions under the Covid-19 pandemic. While this undoubtedly had impact on the nature of these engagements as well as the availability of stakeholders, there was nevertheless an ongoing process to ensure engagement.

These engagements took a number of forms:

- **Project management and steering:** The Project Steering Committee involved the DBSA, the Municipal Infrastructure Support Agency (on behalf of the Department of Cooperative Government) and the Department of Water and Sanitation.
- **Deliverable meetings:** In support of the development of aspects of the programme meetings were held with appropriate stakeholders to discuss these and to provide inputs. This included external stakeholders as well as internal stakeholders to DBSA and DWS.
- **Community of Experts:** This meeting was held with a very wide range of stakeholders to appraise them of progress regarding the development of the programme as well as to garner their inputs into the various aspects of the programme. This Community of Experts meeting will be held again as the process to gain approval of the programme continues and will be key part of the implementation of the programme. Key stakeholders at this session included DWS, DCoG, MISA, SALGA, City of Cape Town, City of Mhlathuze, City of Nelson Mandela Bay, City of eThekweni, City of Tshwane, Umgeni Water, Randwater, International Finance Corporation and a range of technical experts.
- **Supporting engagements:** DBSA was significantly engaged in a range of government, stakeholder engagements and used these to keep a wider range of stakeholders apprised of progress. This included engagements regarding the development of improved approaches to support the development of infrastructure in South Africa such as the establishment of Infrastructure South Africa and engagements regarding the Presidential Infrastructure Coordinating Commission. Additionally, the Director General of DWS also had a number of one-on-one meetings with DBSA to discuss the approach to the governance of the WRP. Similarly, DBSA has engaged on a number of occasions with the Department of Forestry, Fisheries and the Environment (DFFE) as the NDA regarding process, progress and the attainment of the ‘No Objection Letter’.
- **Letters of Support:** In obtaining these letters of support the DBSA interacted with a number of key stakeholders and provide an update on progress as well as the importance of this programme.

A record of the various engagements is presented in Table 4-3.

Table 4-3: Record of stakeholder engagements during 2021/22

| Stakeholders | Date | Meeting | Meeting outcome |
|---------------------------------------------------------------------------------------------|--------------------|-----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| Consultants: Pegasys, JG Afrika, Clarity Global Strategic Communications Client: DBSA | 29 January 2021 | Kick-off meeting | Introduction of project: National Water Reuse Programme - Design and Preparation of a full Funding Proposal to the Green Climate Fund (GCF) |
| Pegasys, DBSA, Nedbank, IFC | 26 February 2021 | Introductory meeting | Discussion: uMhlathuze case study; infrastructure funding |
| Pegasys, DBSA, Nedbank, | March – April 2021 | Whiteboard Brainstorming Sessions | Inputs into the financial structuring options for the programme |
| Pegasys, DBSA | 02 April 2021 | PMC 1 | Discussion: Inception report (milestones, timelines and processes), and invoicing schedule |
| Pegasys, DBSA | 08 April 2021 | PMC 2 | DBSA implementing agent role; progress updates |
| JG Africa, Pegasys | 08 April 2021 | Archetypes Brainstorming session | |

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|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| Pegasys, DBSA, JG Africa, Yubifin, Amber PSC | 14 April 2021 | | PMO design for the DBSA national water reuse programme |
| Pegasys, DBSA | 10 May 2021 | PMC 3 | Invoicing schedule, and progress updates |
| Pegasys, DBSA, GCF, SRC | 1 June 2021 | | PMO design for the DBSA national water reuse programme. |
| Pegasys, DBSA, JG Africa, SRC | 10 June 2021 | PMC 4 | Progress updates on deliverables (D0-D5) and specialist updates |
| Pegasys, DBSA, Yubifin, | 17 June 2021 | Draft Capital Structure Working Meeting | Draft Financial Architecture: Capital Structure & Fund Flows |
| Pegasys, DBSA, Nedbank, IFC | 29 June 2021 | Financial architecture | Discussion: Design of WRP and structuring financing instruments for the WRP |
| Pegasys, DBSA, DWS, DCOG, SALGA, Municipalities, Water Boards, Technical Experts | 15 July 2021 | Community of Experts | Creation of the Community of Experts (CoE) - to advise and guide the design and implementation of the Water Reuse Programme |
| Pegasys, DBSA, MISA | 16 July 2021 | PMC 5 | Progress updates on deliverables (D0-D6) |
| Pegasys, DBSA, MISA | 19 August 2021 | PMC 6 | Progress updates on deliverables (D0-D11) |
| Pegasys, DBSA, MISA | 22 September 2021 | PMC7 | Progress updates on deliverables (D0-D19) |
| Pegasys, DBSA, DWS | 14 October 2021 | Water reuse regulation | Provide inputs regarding technical and regulatory aspects of the programme |
| Pegasys, DBSA, MISA | 27 October 2021 | PMC 8 | Concept note revision |
| Pegasys, DBSA, MISA, GCF | 27 October 2021 | Concept Note comments | Concept note revision |
| Pegasys, DBSA | 3 December 2021 | Presentation | Monitoring and evaluation framework with the DBSA internal M&E Unit |
| TCTA, City of Nelson Mandela Bay, Government Technical Advisory Committee (GTAC), Infrastructure South Africa, City of Cape Town, City of eThekweni, Municipal Infrastructure Support Agency, Rand Water, City of uMhlatuze, DWS | February 2022 | Key stakeholder engagements | Receipt of no-objection letters and letters of support |
| Pegasys, DBSA, GCF | 07 March 2022 | GCF engagement on FFP | Revision of FFP based upon comments |
| Pegasys, DBSA, GCF | 06 May 2022 | GCF engagement on FFP | Revision of FFP based upon comments |



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