

DRAFT

NEPRA Social Investment Guidelines 2021

S.R.O. --- ()-----—In exercise of powers conferred by Section 48 read with Section 7(2)(i) and 31(2) of the Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997), the National Electric Power Regulatory Authority hereby notifies the following guidelines to encourage initiatives to protect the environment and to effectively mitigate adverse climate change, promote the well-being of local communities and human development in the electric power sector with the purpose to ensure that power brings prosperity.

Section 1: Introduction

Part 2: General

2.1. Short title and commencement: -

(1) These guidelines shall be called NEPRA Social Investment Guidelines, 2021

(2) These guidelines shall be applicable to all licensees and shall be applicable with immediate effect.

2.2. Definitions: -

2.2.1. In these guidelines, unless there is anything repugnant in the subject or context,

(a) "Act" means the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997) as amended from time to time;

(b) "activity" means the doing of something intentionally including individually or collectively including taking any steps, actions, decisions, projects, programs and the like the expense of which has been incurred from the profits of the licensee;

(c) "Authority" means the National Electric Power Regulatory Authority (NEPRA);

(d) "better-off" means having a positive or beneficial impact;

(e) "local community" means any community of people living or having rights or interests in a distinct geographical area which is directly or indirectly impacted by the operations of a licensee;

(f) "stakeholders" means these groups and individuals who can affect, or are affected by the operations and activities of the licensee individually or collectively;

(g) “social Investment” means any activity which ensure individually or collectively the environment, climate change, local community and human development are:

- i) Not worse-off compared to the time before the activity is carried out; or
- ii) Better-off compared to the time after the activity is carried out.

(h) “statement of policy” means the internal policy of a licensee which expresses the commitment of the licensee to promote and implement social investment.

(i) “worse-off” means having a negative or adverse impact

2.2.2 Words and expressions used but not defined in these guidelines shall have the same meaning as in the Act and Rules and Regulations framed there under.

2.2.3 Singular words shall include plural where the context demands

Part 1: Commit

1.1 The Licensee are encouraged to display their commitment to social investment by: -

1.1.1 placing responsibility at the highest authority level within the organizational structure;

1.1.2 design and implement integrated decision-making structures, with clearly delineated responsibilities and accountabilities;

1.1.3 Develop a strategy, vision, mission and value statements;

1.1.4 Develop and communicate a statement of policy to all internal and external stakeholders, and implement the statement of policy into the business processes;

1.1.5 Seek commitment to social investment from business partners;

1.1.6 Annually prepare and implement a social investment plan, with financials;

1.1.7 Set quantifiable and measurable targets and identify performance measures;

1.1.8 Design and conduct internal training to create organizational awareness;

1.1.9 Create and implement internal and external communication plans;

1.1.10 Make and announce commitments to the public;

1.1.11 Design and roll-out codes of conduct to guide behavior of employees and business partners;

Part 2 - Assess

2.1 Licensee are encouraged to design assessment tools for social investment to: -

2.1.1 identify risks and opportunities;

2.1.2 conduct gap analysis

2.1.3 identify legal and compliance requirements;

2.1.4 Identify values and ethics;

2.1.2 identify internal and external drivers which drive licensee's commitment to social investment;

2.1.3 compliance with all laws of the land relating to health, safety and environment should be tracked and recorded

Part 3 – Inform

3.1 The Authority may direct the licensee, time to time, to provide information relating to its social investment.

3.2 The Authority may direct that assessment tools are shared with the Authority and other licensee to embed best practices.

3.3 The Authority may encourage social investment in particular activities to address immediate or long-term areas of interest to the power sector.

3.4 Licensee will submit an annual report on its social investment, outlining annual spending, objectives and activities carried out.

3.5 Licensee will submit a report on social investment for the period of five years immediately preceding the day these guidelines come into force.

3.6 Licensee will annually submit a draft social investment plan to the Authority to obtain input and guidance. The social investment plan may be used by the Authority to align social investment across the licensees.

3.7 Licensee will deploy any software application approved notified by the Authority to track, monitor and report the social investment programs of the licensee.

Part 4 - Encourage

Licensee is encouraged to consider all social investment, but more specifically encouraged to invest in key areas outlined below.

4.1 Community Development

Licensee is encouraged to conduct social investment in the local community in the following areas: -

- i) Safeguarding the legitimate interests and rights of the local community relating to land, assets, natural resources etc.
- ii) Education,
- iii) Healthcare;
- iv) Environment conservation;
- v) Welfare of marginalized groups and rural areas;
- vi) Sanitation;
- vii) Women empowerment;
- viii) Skills development and vocational training;
- ix) Accessibility of clean drinking water;
- x) Rural infrastructure developmental projects;
- xi) Livelihood interventions;
- xii) Creation of employment;

4.2 Environment (Climate Change)

Licensee is encouraged to conduct social investment to improve environment in different areas but not limited to the following areas: -

- i) Water management;
- ii) Emission controls;
- iii) Reduction in the use of harmful substances;
- iv) Use of clean technologies;
- v) Waste management;
- vi) Noise mitigation;
- vii) Underground contaminations;
- viii) Safety of local communities

Registrar