

ANNEX 10

Procedures for Implementation of Standard on Stakeholder Engagement

10.1 Introduction

Stakeholder engagement is an inclusive process conducted throughout the project life-cycle. It is most effective when initiated at an early stage of the project development process and is an integral part of early project decisions, and the assessment, management and monitoring of projects environmental and social risks and impacts.

Stakeholder engagement is the continuing process by which the Project Team identifies and communicates with the people affected by project decisions and activities, and others with an interest in implementation and outcomes of its decisions. It should take into account the different access and communications needs of various groups and individuals, especially those who are vulnerable or disadvantaged.

Engagement begins as early as possible in project preparation because early identification of and consultation with affected and interested parties allows stakeholders views, feedback and concerns to be considered in the design of the project.

Documentation of stakeholder engagement includes the following, as appropriate:

- Date and location of each meeting, with copy of the notification to stakeholders;
- The purpose of the engagements (e.g. to inform stakeholders of an intended project to gather their views on potential environmental and social impacts of an intended project);
- The form of engagement and consultation (e.g. face to face meetings, townhalls, workshops, focus groups, written consultations, etc);
- Number of participants and categories of participants;
- Summary of main points and concerns raised by stakeholders;
- Summary of how stakeholder concerns were responded to and considered, and;
- Issues and activities that require follow up actions, including clarifying how stakeholders are informed of decisions.

10.2 Definitions

Stakeholders are persons or groups who are directly or indirectly affected by a project, as well as those who may have an interest in a project and/or the ability to influence its outcomes, either positively or negatively. Stakeholders may include local affected communities or individuals and their formal and informal representatives, national or local government authorities, politicians, religious leaders, civil society organizations and groups with special interests, the academic community, and businesses.³⁵

Stakeholder analysis is the process of identifying a project's key stakeholders and assessing their interest in the project and the ways in which these stakeholders may influence the project's outcomes. Stakeholder analysis provides the foundation for planning stakeholder engagement throughout the project cycle.

Project Affected People includes those likely to be affected by the project because of the actual impacts or potential risks to their physical environment, health, security, well being or livelihoods. These stakeholders may include individuals or groups, including local communities.

10.3 Objectives

- To establish a systematic approach to stakeholder engagement that will help Project Teams identify stakeholders, in particular project affected people,³⁶ and build and maintain a constructive relationship with them;
- To identify stakeholder priorities and assess the level of stakeholder interest and support for the project;
- To enable stakeholders' views and feedback to be considered in project design and to achieve sound environmental and social performance in the project;
- To learn from and incorporate local knowledge to improve project design and sustainability;
- To promote and provide means for effective and inclusive engagement with project affected parties throughout the project life cycle on issues that could potentially affect them;
- To ensure that appropriate project information on environmental and social risks and impacts is disclosed to stakeholders in a timely, understandable, accessible, and appropriate manner;
- Identify potential constraints and conflicts and provide project affected peoples with accessible and inclusive means to raise issues and grievances; and
- To provide stakeholders, especially project affected people, with a monitoring mechanism.

10.4 Engagement During Project Preparation

Stakeholders should be engaged throughout the project life cycle. To ensure that a project is designed to be effective in compliance with safeguards, it is important to start engaging stakeholder early in the preparation process.

10.4.1 Stakeholder Analysis

During project preparation, a stakeholder analysis³⁷ should be developed by the Project Team as a basis for a full stakeholder engagement plan.

10.4.1.1 Identification of Stakeholders

The first step of a stakeholder analysis is to identify relevant stakeholder groups.

Projects will typically involve a broad range of stakeholders. The stakeholder analysis needs to be initiated early to identify key stakeholder groups and individuals to be involved in the project planning process.

Since the full scope of project activities and potential stakeholders are not yet defined at this stage, an initial list of stakeholders should be generated. Special attention should be given to identifying disadvantaged and vulnerable groups. This could be based on a desk review and expert input from the country focal point as well as government representatives. It is recommended that at this stage the stakeholder identification exercise is an expansive one so that relevant groups are not inadvertently excluded.

The initial list of identified stakeholders should be verified, modified and enhanced through interviews with key informants (eg. government

representatives, local CSO representatives, experts etc.), consultations with already identified stakeholders, and site visits. The list should be disseminated to stakeholders with an explanation on how other groups may be suggested or put themselves forward. It is important to not just rely on known entities and to reach out to groups who typically may be excluded from decision making processes, in particular women and marginalized groups that can be affected by the project.

Additional due diligence may be required in identifying potential indigenous people stakeholders. Although IP groups may be clearly recognized by national governments, this is not always the case (**refer to WWF's Policy on Indigenous People for the definition of Indigenous People**).

The identification process must then be updated and refined as the design of the project takes shape and the full scope of the project's activities—and range of potential stakeholders—are better understood. This should occur during the safeguards process whereby the project's environment, social and geographic scope will be identified and provide a more comprehensive view of who may be affected—either directly, indirectly or by cumulative impacts.

10.4.1.2 Identifying Stakeholder Interest in the Project

Once the relevant stakeholder groups have been identified, the next step is to discern their interests in the project and how their interest may be affected. Identification of stakeholder interest can help illuminate the motivations of different actors and how they may influence the project, including potential project opponents.

10.4.1.3 Stakeholder Prioritization

It is not practical and usually not necessary to engage all stakeholder groups with the same level of intensity all the time. Being strategic and clear as to whom the project will be engaging with and why can save resources and time. The group of potential stakeholders and their interest will naturally be quite diverse. Prioritization will help identify appropriate forms of engagement for different stakeholder groups.

10.4.1.4 Refer to Past Stakeholder Information and Consultation

Referring to historical stakeholder information related to the project can save time and add up risks, liabilities or unresolved issues that can then be prioritized and managed in relation to the different strategic alternatives being considered.

10.4.1.5 Engage with Stakeholders in their own Communities

In general, Project Teams should choose a venue where stakeholders feel more comfortable—most likely at a location within the community that tends to have a more productive engagement processes.

10.5 Stakeholder Engagement Plan (SEP)

Development of the SEP should be based on the project's stakeholder analysis. No one type or format of a stakeholder engagement plan will accommodate all projects. The process of developing the SEP must be inclusive and the draft SEP is designed to accommodate the needs and circumstances of different stakeholders. It identifies the information and types of interaction to be conducted in each phase of the project, and includes any other stakeholder engagement required by safeguards in the SIPP.

SEP content (See below SEP template) will depend on various factors including the nature, scale, location and duration of project, diverse interest of stakeholders, the scale of the project's potential positive and adverse impacts on people and the environment, and the likelihood of grievances.

It is important to be transparent about uncertainties and knowledge gaps during early stakeholder engagement. Working with a broad range of stakeholders will likely help to define project parameters and fill key knowledge gaps and, if necessary, generate alternative ideas regarding project design and potential risks and mitigation measures, monitoring and grievance mechanisms.³⁸

The draft SEP must be made available to stakeholders in formats and through channels that are appropriate to them. As relevant to the project, the draft SEP invites input on aspects such as:

- Whether the list of identified stakeholders is accurate;
- The proposed methods of notification and engagement (for example, where meetings and workshops may be held and how to communicate with disadvantaged and vulnerable groups);
- The proposed extent and format of engagement (for example, meetings and during of the consultation period);
- The format and the language of information to be provided.

Stakeholder views and feedback on these aspects are then reviewed and incorporated in the SEP as appropriate. If significant changes are made to the SEP a revised SEP is publicly disclosed.

As project information changes due to recommendations from assessments and mitigation plans, or as project activities are identified, the stakeholder engagement plan should be reviewed and modified accordingly to ensure its effectiveness in securing meaningful and effective stakeholder participation.

The SEP should anticipate if/when professional, neutral facilitators might be needed to lead key engagement activities. For projects where the stakeholder engagement process is likely to be complex or sensitive, social advisors or other expert staff should help design and facilitate the process and assist with participatory methodologies and other specialized techniques.³⁹

The grievance redress mechanism for the project needs to be described in the stakeholder engagement plan.

The SEP should outline a reasonable budget for stakeholder engagement activities, including potential support for groups to facilitate their participation when necessary.

Prior to project concept finalization, a validation workshop should be held with stakeholders that in addition to confirming the project design also includes a review and agreement on the SEP. With the start of project implementation an inception workshop should be held to assist project partners to understand the approved project design and understand their roles and responsibilities in the project. Project Teams should also have an understanding of stakeholder engagement plans during project implementation monitoring including communications, reporting, and conflict resolution and grievance redress.

The SEP Framework is used when the design and location of the project cannot be known during project preparation, or when a project has multiple sub projects that will only be designed during project implementation. In these cases, the framework sets out the principles to be followed for stakeholder engagement and indicates how people are notified as key information becomes known. The SEP is updated as and when the specific details become known, for example the specific locations, stakeholders and schedule of activities.

10.5.1 Template for a SEP

A comprehensive SEP should contain the following sections:

Introduction. A brief description of the project including design elements and potential social and environmental issues. Where relevant, include maps of the project site and surrounding area.

Regulations and Requirements. A summary of any legal, regulatory donor/lender requirements pertaining to stakeholder engagement application to the project. This may include public consultation and disclosure requirements related to the social and environmental assessment process as well as relevant international obligations.

Previous Stakeholder Engagement Activities. A summary of the Executing Agency and the project team activities to date, including information disclosure and/or consultation, provide the following details:

- Type of information disclosed, in what forms and languages (e.g. oral brochure, reports, posters, radio etc.) and how it was disseminated;
- Location and dates of any meetings undertaken to date;
- Individuals, groups and/or organizations that have been consulted;
- Key issues discussed, and key concerns raised;
- Responses to issues raised, including any commitments or follow up actions;
- Process undertaken for documenting these activities and reporting back to stakeholders.

Project Stakeholders. A summary of the key stakeholder groups who will be informed about and engaged in the project (based on stakeholder analysis). These should include persons or groups who:

- Are directly and or indirectly affected by the project or have “interests” in the project that determine them as stakeholders, and;
- Have the potential to influence project outcomes and operations (examples of potential stakeholders are beneficiaries and project affected communities, location organizations, NGOs and government authority’s indigenous peoples, stakeholders can also include politicians, private sector companies, labor unions, academics, religious groups, national environmental and social public-sector agencies, and the media).

Stakeholder Engagement Plan

- Summarize the purpose and goals of the plan. Briefly describe what information will be disclosed, in what formats and languages, and the types of methods that will be used to communicate this information to each of the stakeholder groups identified in section 4 of this template. Methods used may vary according to target audience, for example:

- Newspapers, posters, radio, television;
- Information centers and exhibitions, or other visual display;
- Brochures, leaflets, posters, non-technical summary documents and reports.
- Briefly describe the methods that will be used to engage and/or consult with each of the stakeholder groups identified in section 4. Methods may vary according to the target audience. For example:
 - Interviews with stakeholder representatives and key informants;
 - Surveys, polls and questionnaires;
 - Public meetings and/or focus groups with specific groups;
 - Participatory methods;
 - Other traditional mechanisms for consultation and decision making.
- Describe how the views of women and other relevant groups (minorities, elderly, young other marginalized groups) will be considered and their participation ensured and facilitated. Some vulnerable groups may require additional preparatory activities to participate in such meetings.
- Where relevant, define activities that require prior consultations and FPIC from Indigenous People (refer to WWF's Policy on Indigenous Peoples).
- Outline methods to receive feedback and to ensure ongoing communications with stakeholders (outside of a formal consultation meeting).
- Describe any other engagement activities that will be undertaken, including participatory processes, joint decision making, and/or partnerships undertaken with local communities, NGOs, or other project stakeholders (e.g. benefit sharing programs, stakeholder led initiatives, training and capacity building/support programs).

Timetable

- Provide a schedule outlining dates/periodicity and locations where various stakeholder engagement activities including consultation, disclosure, and partnerships will take place and the date by which such activities will be undertaken.

Resources and Responsibilities

- Indicate who will be responsible for carrying out the specified stakeholder engagement activities.
- Specify the budget and other resources allocated toward these activities.
- For projects with significant potential impacts and multiple stakeholder groups it is advisable to hire a qualified stakeholder engagement facilitator to undertake all or portions of the stakeholder engagement activities.

Grievances Mechanism

- Describe the process by which people concerned with, or potentially affected by, the project can express their grievances for consideration and redress. Detail how grievances will be received, by whom, how the grievances will be resolved and how the response will be communicated.
- Ensure reference is made to and stakeholders are informed of the availability of WWF's Accountability Mechanism (Refer to WWF's Policy on Accountability and Grievance Redress Mechanism) as additional avenues of grievance redress.

Monitoring and Reporting

- Describe any plans to involve project stakeholders (including target beneficiaries and project affected groups) or a third-party to monitor project implementation, potential impacts and management/mitigation measures.

10.6 Information Disclosure

Meaningful stakeholder engagement depends mainly on timely, accurate and comprehensible information. Making available project related information as early as possible in the project cycle and in a manner and language appropriate for each stakeholder group is important. It is good practice to make special efforts to inform disadvantaged and vulnerable groups about the impacts of the project and means of obtaining access to compensation and benefits, and how and when to raise grievances.

It is important to remain responsive to requests for information from Project Affected Peoples throughout the project cycle and set appropriate systems to make project information available.

10.7 Consultation

The SEP guides stakeholders and the Project Team as to when, how and with whom consultations and exchanges should be undertaken throughout the life of the project. The Project Team will undertake a process of meaningful stakeholder consultation in a manner that provides stakeholders the opportunities to express their views on project design, risks, impacts and mitigation measures, and allows the Project Team to consider and respond to them. Consultation should be carried out on an ongoing basis as the nature of issues, impacts and opportunities evolves.

All efforts should be taken to work with the relevant stakeholders to design the engagement and consultation processes, including mechanisms of inclusiveness, respecting cultural sensitivities, and any required consent processes. Moreover, a general solicitation of feedback or input cannot be relied upon, nor accepted as the sole method of consultation. Stakeholder engagement may be minimal at certain times and intense at others depending on the issues and project phase. Targeted input from selected stakeholder groups may be needed at key points in project development and implementation.

If the project may involve indigenous people (IP) stakeholders, additional measures will be required to ensure their full and effective participation. If the project may affect IP rights and interests, lands, resources and territories, the FPIC process will need to be initiated early and respected throughout the project.

The aim of consultations is to inform the Project Team's decisions, where appropriate. Not all stakeholder groups can agree on project activities, their impacts and mitigation, so the goal of engagement is not always to achieve consensus but to hear from stakeholder groups and to take their comments and concerns into account in making project decisions.

Careful documentation of stakeholder consultations can demonstrate to stakeholders that their input has been considered and incorporated into the project. Summary reports of each consultation should be produced, circulated to participants, and publicly disclosed in an accessible manner. Any commitments made to the stakeholders should be carefully recorded. In addition, stakeholders

should be provided regular updates on the environment and social assessments and mitigation plans progress and modification to the project design.⁴⁰

10.8 Engagement During Project Execution

Stakeholders should be regularly informed, consulted and engaged during project execution. The Project Team should engage with stakeholders in accordance with the guidelines set forth in the SEP.

10.8.1 Involve Stakeholders in Monitoring

It is important to involve affected stakeholders in monitoring the project's anticipated impacts and management measures throughout implementation. With the launch of project activities coupled with an urgency to complete work on schedule, there are risks that impact mitigation measures and other intended benefits may not be as effective as anticipated. Engagement during project implementation is essentially about assessing whether previously agreed measures are being implemented, working as intended, and addressing grievances and identifying alternatives where there are failings.⁴¹