

**This document should be read in conjunction with the proposed World Bank Policy to understand the proposed responsibilities of the World Bank (in the Policy) and the Borrowing Country (in the Standards).**

## ***SECOND DRAFT FOR CONSULTATION JULY 1 2015***

# **Environmental and Social Standard 10. Stakeholder Engagement and Information Disclosure**

## **Introduction**

1. This ESS recognizes the importance of open and transparent engagement between the Borrower and project stakeholders as an essential element of good international practice. Effective stakeholder engagement can improve the environmental and social sustainability of projects, enhance project acceptance, and make a significant contribution to successful project design and implementation.
2. Stakeholder engagement is an inclusive process conducted throughout the project life-cycle. Where properly designed and implemented, it supports the development of strong, constructive and responsive relationships that are important for successful management of a project's environmental and social risks. Stakeholder engagement is most effective when initiated at an early stage of the project process, and is an integral part of early project decisions and the assessment, management and monitoring of the project's environmental and social risks and impacts.
3. This ESS must be read in conjunction with ESS1. Requirements regarding engagement with workers are found in ESS2. Special provisions on emergency preparedness and response are covered in ESS2 and ESS4. In the case of projects involving involuntary resettlement, Indigenous Peoples or cultural heritage, the Borrower will also apply the special disclosure and consultation requirements set out in ESS5, ESS7 and ESS8.

## **Objectives**

- To establish a systematic approach to stakeholder engagement that will help Borrowers identify stakeholders and build and maintain a constructive relationship with them, in particular project-affected communities.
- To assess the level of stakeholder interest and support for the project and to enable stakeholders' views to be taken into account in project design and environmental and social performance.
- 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 an accessible and appropriate manner format.
- To provide project-affected parties with accessible means to raise issues and grievances, and allow Borrowers respond to and manage such grievances.

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### **Scope of Application**

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4. ESS10 applies to all projects supported by the Bank through Investment Project Financing. The Borrower will engage with stakeholders as an integral part of the project's environmental and social assessment and project design and implementation, as outlined in ESS1.
5. For the purpose of this ESS, "**stakeholder**" refers to individuals or groups who:
  - (a) are affected or likely to be affected by the project (**project-affected parties**); and
  - (b) may have an interest in the project (**other interested parties**).

### **Requirements**

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6. Borrowers will engage with stakeholders throughout the project life-cycle, commencing such engagement as early as possible in the project process. The nature, scope and frequency of stakeholder engagement will be proportionate to the nature and scale of the project and its potential risks and impacts.
7. Borrowers will engage in meaningful consultations with all stakeholders. Borrowers will provide stakeholders with timely, relevant, understandable and accessible information, and consult with them in a culturally appropriate manner, which is free of manipulation, interference, coercion, discrimination and intimidation.
8. The process of stakeholder engagement will involve the following, as set out in further detail in this ESS: (i) stakeholder identification and analysis; (ii) planning how the engagement with stakeholders will take place; (iii) disclosure of information; (iv) consultation with stakeholders; (v) addressing and responding to grievances; and (vi) reporting to stakeholders.
9. The Borrower will maintain a documented record of stakeholder engagement, including a description of the stakeholders consulted, a summary of the feedback received and a brief explanation of how the feedback was taken into account, or the reasons why it was not.

#### **A. Engagement during Project Preparation**

##### **Stakeholder Identification and Analysis**

10. The Borrower will identify the different stakeholders, both project-affected parties and other interested parties.<sup>1</sup> As set out in paragraph 5, individuals or groups that are affected or likely to be affected by the project will be identified as 'project-affected parties' and other individuals or groups that may have an interest in the project will be identified as 'other interested parties'.

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<sup>1</sup> The stakeholders of a project will vary depending on the details of the project. They may include local communities, national and local authorities, neighboring projects, and nongovernmental organizations.

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11. The Borrower will identify those project-affected parties (individuals or groups) who, because of their particular circumstances, may be disadvantaged or vulnerable<sup>2</sup>. Based on this identification, the Borrower will further identify individuals or groups who may have different concerns and priorities about project impacts, mitigation mechanisms and benefits, and who may require different, or separate, forms of engagement. An adequate level of detail will be included in the stakeholder identification and analysis so as to determine the level of communication that is appropriate for the project.

12. Depending on the potential significance of environmental and social risks and impacts, the Borrower may be required to retain independent third party specialists to assist in the stakeholder identification and analysis to support a comprehensive analysis and the design of an inclusive engagement process.

### **Stakeholder Engagement Plan**

13. The Borrower will develop and implement a Stakeholder Engagement Plan (SEP)<sup>3</sup> proportionate to the nature and scale of the project and its potential risks and impacts. <sup>4</sup> A draft of the SEP will be disclosed, and the Borrower will seek the views of stakeholders, particularly regarding the identification of stakeholders and the proposals for future engagement.

14. The SEP will describe the timing and methods of engagement with stakeholders throughout the life-cycle of the project, distinguishing between project-affected parties and other interested parties. The SEP will also describe the range of information to be communicated to project-affected parties and other interested parties, as well as the type of information to be sought from them.

15. The SEP will be designed to take into account the main characteristics and interests of the stakeholders, and the different levels of engagement and consultation that will be appropriate for different stakeholders. The SEP will set out how communication with stakeholders will be handled throughout project preparation and implementation.

16. The SEP will describe the measures that will be used to remove obstacles to participation, and how the views of differently affected groups will be captured. Where applicable, the SEP will include differentiated measures to allow the effective participation of those identified as disadvantaged or vulnerable. Dedicated approaches and an increased level of resources may be needed for communication

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<sup>2</sup> Disadvantaged or vulnerable refers to those who, by virtue of, for example, their age, gender, ethnicity, religion, physical, mental or other disability, social, civic or health status, sexual orientation, gender identity, economic disadvantages or indigenous status, and/or dependence on unique natural resources may be more likely to be adversely affected by the project impacts and/or more limited than others in their ability to take advantage of a project's benefits. Such an individual/group is also more likely to be excluded from/unable to participate fully in the mainstream consultation process and as such may require specific measures and/or assistance to do so. Considerations relating to age include the elderly and minors, including in circumstances where they may be separated from their family, the community or other individuals upon which they depend.

<sup>3</sup> Depending on the nature and the scale of the risks and impacts of the project, the elements of SEP may be included as part of the ESCP and preparation of a stand-alone SEP may not be necessary.

<sup>4</sup> Where possible, stakeholder engagement will utilize engagement structures within the national system e.g. community meetings, supplemented as needed with project-specific arrangements.

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with such differently affected groups so that they can obtain the information they need regarding the issues that will potentially affect them.

17. When the stakeholder engagement with local individuals and communities depends substantially on community representatives,<sup>5</sup> the Borrower will make reasonable efforts to verify that such persons do, in fact, represent the views of such individuals and communities, and that they are facilitating the communication process in an appropriate manner.<sup>6</sup>

18. Where the exact location of the project is not known at the time of initial due diligence by the Bank, the SEP will take the format of a framework approach, outlining general principles and a collaborative strategy to identify stakeholders and plan for an engagement process in accordance with this ESS that will be implemented once the location is known.

### **Information Disclosure**

19. The Borrower will disclose project information to allow stakeholders to understand the risks and impacts of the project, and potential opportunities. The Borrower will provide stakeholders with access to the following information, as early as possible:

- (a) The purpose, nature and scale of the project;
- (b) The duration of proposed project activities;
- (c) Potential risks and impacts of the project on local communities, and the proposals for mitigating these, highlighting potential risks and impacts that might disproportionately affect vulnerable and disadvantaged groups and describing the differentiated measures taken to avoid and minimize these;
- (d) The proposed stakeholder engagement process highlighting the ways in which stakeholders can participate.
- (e) The time and venue of any proposed public consultation meetings, and the process by which meetings will be notified, summarized, and reported; and
- (f) The process and means by which grievances can be raised and will be addressed.

20. The information will be disclosed in relevant local languages and in a manner that is accessible and culturally appropriate, taking into account any specific needs of groups that may be differentially or disproportionately affected by the project or groups of the population with specific information needs (such as, disability, literacy, gender, mobility, differences in language or accessibility).

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<sup>5</sup> For example, village heads, clan heads, community and religious leaders, local government representatives, civil society representatives, politicians or teachers.

<sup>6</sup> For example, by conveying, in an accurate and timely manner, information provided by the Borrower to the communities and the comments and the concerns of such communities to the Borrower.

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### ***Meaningful Consultation***

21. The Borrower will undertake a process of meaningful consultation in a manner that provides stakeholders with opportunities to express their views on project risks, impacts, and mitigation measures, and allows the Borrower to consider and respond to them. Meaningful consultation will be carried out on an ongoing basis as the nature of issues, impacts and opportunities evolves.

22. Meaningful consultation is a two-way process, that:

- (a) Begins early in the project planning process to gather initial views on the project proposal;
- (b) Encourages stakeholder feedback, particularly as a way of informing project design and engagement by stakeholders in the identification and mitigation of environmental and social risks and impacts;
- (c) Continues on an ongoing basis, as risks and impacts arise;
- (d) Is based on the prior and timely disclosure and dissemination of relevant, transparent, objective, meaningful and easily accessible information in a culturally appropriate format, in relevant local language(s) and is understandable to stakeholders;
- (e) Considers and responds to feedback ;
- (f) Supports active and inclusive engagement with project-affected parties;
- (g) Is free of external manipulation, interference, coercion, discrimination, and intimidation; and
- (h) Is documented and disclosed by the Borrower.

### **B. Engagement during Project Implementation and External Reporting**

23. The Borrower will continue to engage with, and provide information to, project-affected parties and other interested parties throughout the life-cycle of the project, in a manner appropriate to the nature of their interests and the potential environmental and social risks and impacts of the project.<sup>7</sup>

24. The Borrower will continue to conduct stakeholder engagement in accordance with the SEP, and will build upon the channels of communication and engagement already established with stakeholders. In particular, the Borrower will seek feedback from stakeholders on the environmental and social performance of the project, and the implementation of the mitigation measures in the ESCP.

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<sup>7</sup> Additional information may need to be disclosed at key stages in the project cycle, for example prior to start-up of operations, and on any specific issues that the disclosure and consultation process or grievance mechanism have identified as of concern to stakeholders.

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25. If there are significant changes to the project that result in additional risks and impacts, particularly where these will impact project-affected parties, the Borrower will provide information on such risks and impacts and consult with project-affected parties as to how these risks and impacts will be mitigated. The Borrower will disclose an updated ESCP in accordance with the SEP, setting out the mitigation measures.

### **C. Grievance Mechanism**

26. The Borrower will respond to concerns and grievances of project-affected parties related to the environmental and social performance of the project in a timely manner. For this purpose, the Borrower will propose and implement a grievance mechanism<sup>8</sup> to receive and facilitate resolution of such concerns and grievances.

27. The grievance mechanism will be proportionate to the potential risks and impacts of the project and will be accessible and inclusive. Where feasible and suitable for the project, the grievance mechanism will utilize existing formal or informal grievance mechanisms, supplemented as needed with project-specific arrangements. Further requirements on grievance mechanisms are set out in Annex 1.

- (a) The grievance mechanism is expected to address concerns promptly and effectively, in a transparent manner that is culturally appropriate and readily accessible to all project-affected parties, at no cost and without retribution. The mechanism, process or procedure will not prevent access to judicial or administrative remedies. The Borrower will inform the project-affected parties about the grievance process in the course of its community engagement activities, and will make publicly available a record documenting the responses to all grievances received; and
- (b) Handling of grievances will be done in a culturally appropriate manner and be discreet, objective, sensitive and responsive to the needs and concerns of the project-affected parties. The mechanism will also allow for anonymous complaints to be raised and addressed.

### **D. Organizational Capacity and Commitment**

28. The Borrower will define clear roles, responsibilities and authority as well as designate specific personnel to be responsible for the implementation and monitoring of stakeholder engagement activities and compliance with this ESS.

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<sup>8</sup> The grievance mechanism to be provided under this ESS may be utilized as the grievance mechanism required under other ESSs (see ESSs 5 and 7). However, the grievance mechanism for project workers required under ESS2 needs to be provided separately.

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### **ESS10 – ANNEX 1. GRIEVANCE MECHANISM**

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1. The scope, scale and type of grievance mechanism required will be proportionate to the nature and scale of the potential risks and impacts of the project.
2. The grievance mechanism will include the following:
  - (a) Different ways in which users can submit their grievances, which may include submissions in person, by phone, text message, mail, email or via a web site;
  - (b) A log where grievances are registered in writing and maintained as a database;
  - (c) Publicly advertised procedures, setting out the length of time users can expect to wait for acknowledgement, response and resolution of their grievances;
  - (d) Transparency about the grievance procedure, governing structure and decision makers; and
  - (e) An appeals process (including the national judiciary) to which unsatisfied grievances may be referred when resolution of grievance has not been achieved.
3. The Borrower may provide mediation as an option where users are not satisfied with the proposed resolution.