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## Table of Content

1. What is Stakeholder Engagement?

06

3. What are the Key Principles of a Meaningful Stakeholder Engagement?

08

5. How to Map Stakeholders?

12-13

2. What is the Value-added of Mapping and Engaging with Stakeholders for Clients?

07

4. How to Identify the Stakeholders Including Project- affected Communities, and Disadvantaged and Vulnerable Groups?

09 - 77

6. What else to Consider when Mapping Stakeholder in Projects with Significant Risks? 14-15

8. How to Incorporate Feedback from Communities?

16

10. How to Monitor and Review Stakeholder Engagement?

17-18

7. How to Engage with Stakeholders?

*15-16* 

9. Why and When Do Projects Need to Update the Stakeholder Engagement and Mapping?

17

A transparent process of engaging with different project stakeholder groups is a requirement under IDB Invest's Sustainability Framework. IDB Invest requires its clients to comply with this Sustainability Policy.

Identifying and engaging with project stakeholders in a meaningful way is an essential element of the IDB Invest Sustainability Framework:

IDB Invest promotes open, transparent, inclusive engagement between the client and stakeholders, particularly Affected Communities, as a key element to enhance the environmental and social sustainability of investments.<sup>2</sup>

| What is Stakeholder Engagement? |

| What is the Value-added of Mapping and Engaging with Stakeholders for Clients?

What are the Key Principles of a Meaningful Stakeholder Engagement?

| How to Identify the Stakeholders Including Project-affected Communities, and Disadvantaged and Vulnerable Groups? |

| How to Map Stakeholders?

| What else to Consider when Mapping Stakeholder in Projects with Significant Risks?|

How to Engage with Stakeholders?

| How to Incorporate Feedback from Communities? |

| Why and When Do Projects Need to Update the Stakeholder Engagement and Mapping?

| How to Monitor and Review Stakeholder Engagement? |

### 1. What is Stakeholder Engagement?

As stated by the IFC Performance Standards, stakeholder engagement is the basis for building strong, constructive, and responsive relationships that are essential for the successful management of a project's environmental and social impacts. Stakeholder engagement is an ongoing process that may involve, in varying degrees, the following elements: stakeholder analysis and planning, disclosure and dissemination of information, consultation and participation, grievance mechanism, and ongoing reporting to Affected Communities. The nature, frequency, and level of effort of stakeholder engagement may vary considerably and will be commensurate with the project's risks and adverse impacts, and the project's phase of development.

Stakeholder engagement is a cross-cutting consideration with specific requirements described in the Performance Standards.<sup>3</sup> Core principles of stakeholder engagement and consultation processes are also established through national laws and regional agreements in Latin America and the Caribbean.<sup>4</sup>

Stakeholder engagement should be a respectful and good-faith dialogue process between a project sponsor and affected or interested stakeholders. It should be done systematically and transparently throughout a project's lifetime.

The approach suggested in this note should be used judiciously and adapted to local contexts. The IDB Invest Sustainability Framework does not attempt to anticipate and address every possible circumstance and challenge, and clients may use a variety of approaches to achieve its sustainability objectives.

| What is Stakeholder Engagement? |

| What is the Value-added of Mapping and Engaging with Stakeholders for Clients? |

What are the Key Principles of a Meaningful Stakeholder Engagement?

| How to Identify the Stakeholders Including Project-affected Communities, and Disadvantaged and Vulnerable Groups? |

| How to Map Stakeholders? |

| What else to Consider when Mapping Stakeholder in Projects with Significant Risks?|

How to Engage with Stakeholders?

| How to Incorporate Feedback from Communities? |

| Why and When Do Projects Need to Update the Stakeholder Engagement and Mapping? |

| How to Monitor and Review Stakeholder Engagement? |

## 2. What is the Value-added of Mapping and Engaging with Stakeholders for Clients?

Stakeholder mapping and engagement provide significant value across various dimensions. Some key benefits include:



Companies that have grasped the importance of actively developing and sustaining relationships with affected communities and other stakeholders throughout the life of their project, and not simply during the initial feasibility and assessment phase, are reaping the benefits of improved risk management and better outcomes on the ground.



Engagement with Affected Communities and other stakeholders, focused on increasing mutual understanding and addressing issues of concern to all parties, is essential to build trust as part of the project design and development process, and to maintenance of operations. Engaging with stakeholders from the beginning enables a proactive cultivation of relationships that can serve as "capital" during challenging times.



By identifying and engaging stakeholders, businesses can gather crucial insights about their needs, concerns, and expectations. Thus, it provides an important source of information and data for decision making, as well as validation and verification of data obtained elsewhere. Early identification of potential issues through stakeholder feedback can help in mitigating risks before they escalate into major problems. Without stakeholder engagement projects risk, at best, missing opportunities to improve design and decision making by drawing on the knowledge, understanding, and needs of local communities and, at worst, losing the support of affected people and its associated consequences.



Engaging stakeholders early is a key driver of project success. It helps in aligning the project with stakeholder expectations, facilitates better decision-making, and ensures that potential issues are addressed proactively. By fostering strong relationships and open communication with stakeholders, project managers can enhance the overall effectiveness, efficiency, and success of their projects.

- | What is Stakeholder Engagement?
- | What is the Value-added of Mapping and Engaging with Stakeholders for Clients?

| What are the Key Principles of a Meaningful Stakeholder Engagement? |

| How to Identify the Stakeholders Including Project-affected Communities, and Disadvantaged and Vulnerable Groups? |

| How to Map Stakeholders? |

| What else to Consider when Mapping Stakeholder in Projects with Significant Risks?|

How to Engage with Stakeholders?

How to Incorporate Feedback from Communities? |

| Why and When Do Projects Need to Update the Stakeholder Engagement and Mapping? |

| How to Monitor and Review Stakeholder Engagement? |

## 3. What are the Key Principles of a Meaningful Stakeholder Engagement?

While the specifics of project-level stakeholder engagement will vary depending on the nature of the project and the local context, a meaningful process should reflect the following principles and elements:<sup>5</sup>



It is based on a disaggregated stakeholder analysis, and ensures that different categories of stakeholders are represented and involved



The process is transparent, with documentation, feedback, and public disclosure



It is ongoing and iterative, and undertaken as a process during both project preparation and implementation, rather than as in one or a few isolated events<sup>6</sup>



Stakeholder views and perspectives are considered and reflected as appropriate in project design and implementation



It is equitable and nondiscriminatory, and ensures that women, the poor, and vulnerable groups among stakeholders are given a voice and are not disproportionately impacted by the project



Stakeholders are able to voice concerns and grievances, and to seek redress from the client if they feel the project is causing harm to them or the environment



Stakeholders will be given prior information about relevant aspects of the project, in a language, format, and manner that is appropriate, clear, and accessible



The engagement process is respectful and free of coercion or intimidation. Stakeholders, including those who voice opposition to the project, should be protected against violence or other forms of reprisals<sup>7</sup>



Consultation events and other means of engagement with stakeholders will be tailored to the characteristics and needs of different groups, to ensure that all relevant perspectives are captured and considered

| What is Stakeholder Engagement? |

| What is the Value-added of Mapping and Engaging with Stakeholders for Clients?

What are the Key Principles of a Meaningful Stakeholder Engagement?

| How to Identify the Stakeholders Including Project-affected Communities, and Disadvantaged and Vulnerable Groups? |

| How to Map Stakeholders?

| What else to Consider when Mapping Stakeholder in Projects with Significant Risks?|

How to Engage with Stakeholders?

| How to Incorporate Feedback from Communities? |

| Why and When Do Projects Need to Update the Stakeholder Engagement and Mapping?

How to Monitor and Review Stakeholder Engagement?

## 4. How to Identify the Stakeholders Including Projectaffected Communities, and Disadvantaged and Vulnerable Groups?

Projects affect different groups differently, both positively and negatively. A project therefore needs to undertake an analysis that identifies and disaggregates relevant affected or interested parties. Clients will need to identify different stakeholder groups as early as possible during project preparation.

Stakeholders are not just everyone within a project's general setting or area of influence. Stakeholders are those who have a stake, or an interest, in a project. They are those individuals and groups that: (i) are affected by a project's activities; (ii) have an interest in it; or (iii) can influence project design, implementation, and outcomes.

#### Step by step:



### Determine project's area of influence:

This is the geographical area within which project activities may affect people or the environment in direct or indirect ways. Stakeholders affected by the project within this area of influence, both expected beneficiaries and those who may be adversely affected, should be identified. Consideration should also be given to the broader setting where contextual risk factors. which are risks that may be outside the project's direct control, but may influence the client's ability to meet the requirements of the IDB Invest Sustainability Framework. Contextual risk factors may include legacy issues, security risks, weak governance, corruption, pervasive human rights abuses, and other factors which may exacerbate risks more directly associated with the project.8



Identify stakeholders who may have interest in the project/can influence **project outcomes:** This generally includes those that are affected by the project, and others who may have an interest in it. Some are "champions" of the project, and some are opposed to it for different reasons (e.g., through economic or social displacement, increased risks of violence, loss of benefits or privileges, or loss of biodiversity or cultural heritage).9 People who can influence proiect outcomes include those who are in favor of it as well as those who may be opposed for different reasons (e.g., for political or ideological reasons). Groups that may influence the project do not necessarily live within the project's area of influence; they may be located elsewhere in the country or even in another country. The same people can be both positively and negatively affected by a project, depending on the issues. For example, there may be adverse impacts related to noise, pollution, and increased traffic for groups that also benefit from local economic development.

| What is Stakeholder Engagement? |
| What is the Value-added of Mapping and Engaging with Stakeholders for Clients? |
| What are the Key Principles of a Meaningful Stakeholder Engagement? |
| How to Identify the Stakeholders Including Project-affected Communities, and Disadvantaged and Vulnerable Groups? |
| How to Map Stakeholders? |
| What else to Consider when Mapping Stakeholder in Projects with Significant Risks? |
| How to Engage with Stakeholders? |

The level of granularity, detail, and disaggregation required in mapping different stakeholders will vary from project to project and may need to be reassessed during the project cycle as circumstances change. The general rule should be that the stakeholder mapping should distinguish uniquely between groups and individuals that:

- Are affected by the project in different ways, both positively and negatively;
- Have different characteristics such as vulnerability that may affect them disproportionately; or
- Have different levels of voice or influence in stating their views and concerns, and ability to influence project design and implementation.



Many groups are confronted with barriers that prevent their full inclusion in the development process. IDB Invest seeks to avoid risks and adverse impacts of projects disproportionately affecting vulnerable and disadvantaged groups and ensure that their concerns and situations are given appropriate consideration. IDB Invest's Sustainability Policy specifically refers to people who may be disadvantaged based on their gender or gender identity; Indigenous Peoples; Afro-Descendants; and people with disabilities, as well as "other vulnerable groups." Vulnerability or disadvantage in the development process may be based on different identities such as race, color, sexual orientation and gender identity, language, religion, literacy, health, dependence on natural resources, or other identities. Frequently, people have a combination of social identities that may constitute vulnerability, e.g., an Indigenous, illiterate, poor woman. This may constitute cumulative disadvantage. In countries with lists of officially recognized Indigenous and/or ethnic minority groups, IDB Invest clients should not rely solely on such lists, as government recognition may not always reflect Indigenous identity accurately in a manner consistent with the requirements in IFC Performance Standard 7.11 Instead, clients should identify such groups themselves during the stakeholder identification process and treat them as vulnerable regardless of their official recognition status.

IDB Invest clients should ensure that during the consultation and engagement process, the views and concerns of disadvantaged or vulnerable groups are heard and considered. The stakeholder identification, mapping, and engagement process will therefore need special attention and a targeted approach to these groups. Four considerations are of relevance when it comes to disadvantaged or vulnerable groups:



Ensure that vulnerable groups are not disproportionately affected by adverse impacts to which a project may cause or contribute.



Ensure that systemic or structural barriers do not prevent vulnerable groups from accessing project benefits.



Ensure that vulnerable and marginal groups are given voice and enabled to participate fully in project consultation processes.



Consider how development opportunities can be targeted to benefit vulnerable and disadvantaged groups.

Different categories may be relevant in different project settings and contexts. Many identities are fluid and context-sensitive and may change over time.<sup>12</sup>



## Violence and reprisals

Risks of violence against local stakeholders may be an issue in any project. The stakeholder mapping and engagement process should be cognizant of such risks, particularly in areas where powerful economic or political interests threaten land, resources, or livelihoods of poor or vulnerable people. Some project settings have high contextual

| What is Stakeholder Engagement? |
| What is the Value-added of Mapping and Engaging with Stakeholders for Clients? |
| What are the Key Principles of a Meaningful Stakeholder Engagement? |
| How to Identify the Stakeholders Including Project-affected Communities, and Disadvantaged and Vulnerable Groups? |
| How to Map Stakeholders? |
| What else to Consider when Mapping Stakeholder in Projects with Significant Risks? |
| How to Engage with Stakeholders? |
| How to Incorporate Feedback from Communities? |
| Why and When Do Projects Need to Update the Stakeholder Engagement and Mapping? |

risk levels characterized by fragility, conflict, and violence. This violence may be perpetrated by different groups, including representatives of companies or the government, wealthy landowners, security forces, or even community members against other community members in cases of internal conflicts.

There may also be violence against minority groups such as sexual and gender minorities. It is therefore important to be watchful for any indication that project stakeholders are being threatened or subjected to intimidation or retribution in any way, and to be familiar with how to identify such risks and develop measures to address them, including to:

- Emphasize prevention by identifying risks of retaliation at early stages of the project and be prepared to respond to potential incidents
- Incorporate attention to conflict, violence, and the risk of retaliation into the project's environmental and social assessment process, including through systematic analysis of contextual risk
- Involve project stakeholders at risk by consulting and collaborating with them and ensuring that their concerns are reflected in project design and implementation, and that measures are taken to protect them against violence

The level of detail and effort in identifying, mapping, and engaging with stakeholders should be proportionate to each project's risk, scale, and complexity.



An initial identification of stakeholder categories should be done as early as possible in project planning and development. It can be done using secondary data sources and interviews with local resource persons and groups (e.g., civil society organizations, academia, and business associations) but should be verified in a participatory manner by discussing with representatives of different stakeholder categories about how the project may affect and involve them, and asking them to identify their interests, concerns, and perceptions.

This initial identification and discussion should be seen as a preliminary step in the stakeholder engagement process. Subsequent steps will normally include:









- | What is Stakeholder Engagement? |
- | What is the Value-added of Mapping and Engaging with Stakeholders for Clients?
- | What are the Key Principles of a Meaningful Stakeholder Engagement?
- | How to Identify the Stakeholders Including Project-affected Communities, and Disadvantaged and Vulnerable Groups?

#### | How to Map Stakeholders? |

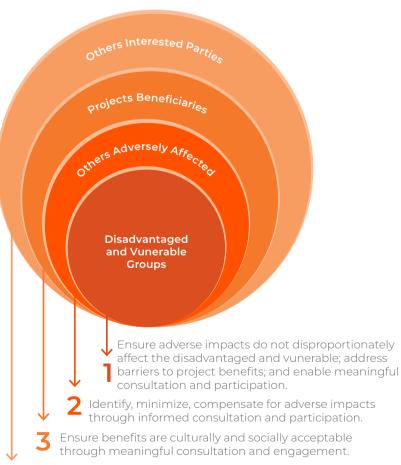
- | What else to Consider when Mapping Stakeholder in Projects with Significant Risks?|
- | How to Engage with Stakeholders?
- | How to Incorporate Feedback from Communities? |
- | Why and When Do Projects Need to Update the Stakeholder Engagement and Mapping?
- | How to Monitor and Review Stakeholder Engagement? |

### 5. How to Map Stakeholders?

Once an initial identification of relevant stakeholder categories has been undertaken, they should be mapped against relevant characteristics and criteria. This mapping will help identify the concerns, perceptions, and interests of different stakeholders, and will guide the development of a disaggregated stakeholder engagement plan that will be used for the consultation process throughout the project cycle and updated as circumstances change, or new information becomes available.

In order of priorities, different stakeholders may be grouped into four categories. These categories are not mutually exclusive; individuals and groups may occupy more than one of the categories. This grouping helps to prioritize the engagement and management process, as illustrated in Figure 1.

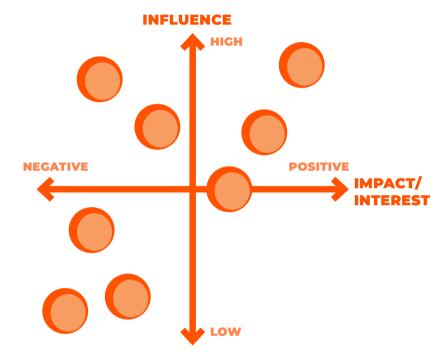
Figure 1 Stakeholder Engagement Hierarchy



Consider views ans opinions, including from those opposed to the project, through meaningful consultation.

Degrees of impact, interest, and levels of interest among different stakeholder groups may also be mapped in a simple diagram, as illustrated in Figure 2.

Figure 2 Impact, interest, and influence



A way to visualize how stakeholders relate to a proposed project can be done through a matrix that positions stakeholder groups along two dimensions:

- On the horizontal axis: How the project may affect them positively or negatively, or what their view of the project is — positive or negative ('champions' and opponents); and
- On the vertical axis: The level of influence each stakeholder category has.

| What is Stakeholder Engagement? |
| What is the Value-added of Mapping and Engaging with Stakeholders for Clients? |
| What are the Key Principles of a Meaningful Stakeholder Engagement? |
| How to Identify the Stakeholders Including Project-affected Communities, and Disadvantaged and Vulnerable Groups
| How to Map Stakeholders? |
| What else to Consider when Mapping Stakeholder in Projects with Significant Risks? |
| How to Engage with Stakeholders? |
| How to Incorporate Feedback from Communities? |
| Why and When Do Projects Need to Undate the Stakeholder Engagement and Mapping? |

Some examples and implications of stakeholders in each of the four quadrants of this figure are indicated below.

1. LOWER LEFT QUADRANT (Negative impact/interest, low level of influence): Groups may include people significantly affected by a project's negative impacts such as displacement, pollution, or gender-based violence, but who may have limited voice and be relatively powerless. They may include women, the landless, and victims of conflict and violence. The engagement process should ensure that their voices and concerns are identified and captured, and targeted mitigation measures may be required for this group. These groups may require separate conversations or discussion formats to ensure that their voices are heard and taken into consideration.

2. UPPER LEFT QUADRANT (negative impact or interest, high level of influence): Groups in this quadrant may include advocacy non-governmental organizations (NGOs) opposed to the project, local elites who see their interests threatened, men who oppose women's empowerment, opposition political groups, and others. Efforts should be made to understand these groups' views and either adjust the project design, if appropriate, or find other ways to take their opposition into account. This may include protection against powerful groups' violence or retaliation against other stakeholders.<sup>13</sup>

**3. UPPER RIGHT QUADRANT (positive impact or interest, high influence):** These are the influential "champions" of the project. They may include company chief executive officers (CEOs) and boards, shareholders, local politicians, and government officials. It would be important to ensure and maintain their ownership and support to the project, and to ensure that their decision-making reflects environmental and social considerations along with financial and technical aspects.

**4. LOWER RIGHT QUADRANT (positive impact or interest, low level of influence):** Groups in this quadrant may include local communities who expect to benefit

from improved communications or services, or to obtain employment in the project. While they may have relatively less ability to influence the project and are not expected to be adversely affected by it, this may change — employment opportunities may not materialize, and people who initially have been supportive of the project may turn against it.

Mapping approaches should generally be considered internal and deliberative for purposes of project planning and implementation. It is not appropriate to publicize the project's assessment of whether a stakeholder group has high or low influence, for example. Similarly, the identification of stakeholder characteristics may not be suitable for external disclosure. Sexual orientation and gender identity, for example, may constitute a disadvantage in a project setting. While the project should engage with such groups in a tactful and considerate manner, many identities and characteristics should be kept private. However, in rare cases it may be appropriate to disclose the names of individual stakeholders (e.g., if stakeholders consider public disclosure of their names to be a preventive measure against violence or retaliation). Such disclosure should only be done with the expressed and informed consent of stakeholders.

| What is Stakeholder Engagement? |

What is the Value-added of Mapping and Engaging with Stakeholders for Clients?

What are the Key Principles of a Meaningful Stakeholder Engagement?

 $|\ How to \ Identify the \ Stakeholders \ Including \ Project-affected \ Communities, and \ Disadvantaged \ and \ Vulnerable \ Groups?$ 

| How to Map Stakeholders?

| What else to Consider when Mapping Stakeholder in Projects with Significant Risks?|

How to Engage with Stakeholders? |

How to Incorporate Feedback from Communities? |

| Why and When Do Projects Need to Update the Stakeholder Engagement and Mapping? |

| How to Monitor and Review Stakeholder Engagement? |

## 6. What else to Consider when Mapping Stakeholder in Projects with Significant Risks?

A project with significant risks of adverse environmental or social impacts should go into more detail and look more specifically at distributional aspects; how different project activities are likely to affect different groups differently. The figure below, gives an example of this and illustrates how different activities pose different levels of risk to different groups.<sup>15</sup>

RISK LEVELS BY STAKEHOLDER GROUPS: EXAMPLES (SIMPLIFIELD)

| Project<br>activity                                       | Urban,<br>prosperous<br>property<br>owners and<br>business<br>owners                            | Subsistence<br>agriculturalists<br>with recognized<br>land occupancy    | Informal land<br>occupants and<br>landless day<br>laborers                    | Women  | Children and the elderly  |
|---|---|---|---|--|---|
| Land<br>acquisition<br>and<br>resettlement                | Loss of partid<br>value of land<br>and houses.<br>No direct threat<br>to economic<br>viability. | Loss of land as<br>only source of<br>livelihood<br>Risk:<br>Substantial | Loss of access<br>to employment,<br>no legal<br>recourse for<br>compensation. | Potential loss<br>of access to<br>economic activity<br>Legal tenue<br>uncertain.<br>Risk:<br>Substantial | Depends on owerall situation of household.  Risk: Moderate to Substantial |
|   | Risk: Moderate  Potential   | Potential   | Risk: High  Potential   | Potential  | Potential   |
| Increase in<br>traffic volume                             | increase in traffic<br>accidents.   | increase in traffic<br>accidents.                                       | increase in traffic<br>accidents.   | increase in traffic<br>accidents.  | increase in traffic<br>accidents.   |
|   | Risk: Moderate  | Risk: Moderate  | Risk: Moderate  | Risk: Moderate   | Risk: High  |
| Reduced<br>access to<br>water and<br>natural<br>resources | Minimal use of<br>natural resources;<br>availability of<br>piped or<br>purchased water.         | Loss of important resources.  | Loss of<br>resources<br>they depend<br>fully on.                              | Frequently responsible for providing water.  | Children and the elderly often gather frewood and collect water.          |
|   | Risk: Low   | Substantial   | Risk: High  | Risk: High   | Risk: High  |
| Urban<br>development<br>and new<br>traffic<br>patterns    | May constitute<br>loss of customers<br>and reduced<br>livelihoods.<br><b>Risk:</b>              | Does not affect<br>them directly.                                       | May constitute<br>loss of day<br>employment.<br><b>Risk:</b>                  | Depending on occupation and location. For urban women shopkeepers.                                       |   |
|   | Substantial<br>to High  | Risk: Low   | Potentially<br>Substantial  | Risk: Potentially<br>Substantial   | Risk: Low to<br>Moderate  |

| What is Stakeholder Engagement? |
| What is the Value-added of Mapping and Engaging with Stakeholders for Clients? |
| What are the Key Principles of a Meaningful Stakeholder Engagement? |
| How to Identify the Stakeholders Including Project-affected Communities, and Disadvantaged and Vulnerable Groups? |
| How to Map Stakeholders? |
| What else to Consider when Mapping Stakeholder in Projects with Significant Risks? |
| How to Engage with Stakeholders? |
| How to Incorporate Feedback from Communities? |

There are two implications of this type of analysis:

- The consultation process should address the concerns of different groups with a particular focus on significant risk to disadvantaged and vulnerable groups; and
- Consultation events should be undertaken in a disaggregated and differentiated manner, tailored to the characteristics and concerns of different groups.

It is generally not enough to map separate groups or categories as isolated entities. People have multiple social identities that overlap, such as their gender, socioeconomic status, literacy, ethnic identity, or other socially constructed identities. This is known as intersectionality. The mapping should take such overlapping identities or statuses in relation to the project into account, particularly when it comes to identifying characteristics of disadvantaged and vulnerable groups, when the combination of different identities may constitute cumulative disadvantage.

Each project setting is different. The type and level of detail in the stakeholder mapping appropriate to a specific project setting will vary with risk levels, including contextual risk factors. All projects need to understand and map relevant stakeholder categories, however, and develop effective and appropriate methods of engagement that are relevant and responsive to stakeholder concerns and interests.

## 7. How to Engage with Stakeholders?

By identifying stakeholders and their characteristics and the relationships among stakeholders, the analysis provides the basis for how the project will engage with different groups.

The engagement process consists of a one-way dissemination of information, such as public disclosure of basic project information on a company's website. This is only acceptable in projects that are not likely to generate environmental and social impacts to Affected Communities or the environment. Most projects will require a two-way dialogue with affected and interested stakeholders. As noted earlier, the stakeholder analysis should be guided by an analysis of different risk factors

and how they may affect various groups and individuals differently. The project risk levels will determine the degree of effort and nature of the necessary analysis and engagement process.

IFC's Performance Standard 1 distinguishes between the following four levels of communication and engagement, commensurate with project risk levels.<sup>17</sup>



Minimal risk of adverse environmental and social impacts to Affected Communities: Disclosure of information, essentially a oneway information flow.



Potential moderate environmental and/ or social risks and impacts: Consultation, a two-way dialogue between the project and stakeholders. Stakeholders are consulted through an active two-way process of engagement and dialogue. Information needs to be shared with relevant stakeholders, generally on a disaggregated basis, and different stakeholders' views should be captured, documented, and considered.



Potential significant adverse risks and impacts: Informed Consultation and Participation (ICP), which builds on the consultation process but adds requirements for more in-depth exchange of views and information, and documented integration in the decision-making process of the views of Affected Communities on matters that directly affect them, such as proposed mitigation measures, the sharing of development benefits and opportunities, and implementation issues. In certain circumstances, policies and good practice may require that stakeholders have a real say in project decision-making, or even that a degree of decision-making authority be transferred to local communities and stakeholder groups. ICP is required for all projects with adverse impacts to Indigenous Peoples.

What is Stakeholder Engagement?

I What is the Value-added of Mappina and Engaging with Stakeholders for Clients?

What are the Kev Principles of a Meaninaful Stakeholder Engagement?

 $| \ How to \ Identify the \ Stakeholders \ Including \ Project-affected \ Communities, and \ Disadvantaged \ and \ Vulnerable \ Groups? \ | \ Project-affected \ Communities, and \ Disadvantaged \ and \ Vulnerable \ Groups? \ | \ Project-affected \ Communities, and \ Disadvantaged \ and \ Vulnerable \ Groups? \ | \ Project-affected \ Communities, and \ Disadvantaged \ and \ Vulnerable \ Groups? \ | \ Project-affected \ Communities, and \ Disadvantaged \ and \ Vulnerable \ Groups? \ | \ Project-affected \ Communities, and \ Disadvantaged \ and \ Vulnerable \ Groups? \ | \ Project-affected \ Communities, and \ Disadvantaged \ and \ Vulnerable \ Groups? \ | \ Project-affected \ Communities, and \ Disadvantaged \ And \ Project-affected \ Communities, and \ Disadvantaged \ And \ Project-affected \ Communities, and \ Disadvantaged \ And \ Project-affected \ Communities, and \ Disadvantaged \ And \ Project-affected \ Communities, and \ Disadvantaged \ And \ Project-affected \ Communities, and \ Disadvantaged \ And \ Project-affected \ Communities, and \ Disadvantaged \ And \ Project-affected \ Communities, and \ Disadvantaged \ And \ Project-affected \ Communities, and \ Disadvantaged \ And \ Project-affected \ Communities, and \ Project-affected \ Communities, and \ Disadvantaged \ And \ Project-affected \ Communities, and \ Project-affected \ C$ 

| How to Map Stakerrolders? |

| What else to Consider when Mapping Stakeholder in Projects with Significant Risks?|

How to Engage with Stakeholders?

| How to Incorporate Feedback from Communities? |

| Why and When Do Projects Need to Update the Stakeholder Engagement and Mapping? |

| How to Monitor and Review Stakeholder Engagement? |



Specific circumstances that pose significant risks to Indigenous Peoples: Free, Prior and Informed Consent (FPIC). 18

The engagement process with different groups should be tailored to different groups' interests, needs, and likely concerns. It should take account of limitations some groups or individuals may have in participating in consultation events. These limitations may relate to language differences, lack of mobility, or social exclusion and discrimination by others in the project setting. Targeted support to enable all relevant groups to participate may therefore be required. Such support may include capacity building to enable groups to understand the project and their roles more fully, and to engage with the project in an informed manner.

Before any consultation events or other types of dialogue, people should be provided clear information about how the project is likely to affect them, and what they are being asked to do or to what they are being asked to agree. Stakeholders should receive information as part of a two-way consultation and engagement process. This information (understandable, easily accessible, and culturally appropriate) should be made available prior to actual consultation events, since it is important that stakeholders have the opportunity to consider the information and discuss it among themselves before being asked their views in a structured consultation setting.

Different forums and methods for consultations and stakeholder engagement may include:

- · Non technical summary project information
- Public hearings or meetings
- · Workshops and seminars
- · Consultations with key informants
- Focus groups
- · Awareness campaigns and outreach
- Online consultation methods, when appropriate and necessary (e.g., in settings where in-person gatherings may be unsafe)

# 8. How to Incorporate Feedback from Communities?

For the consultation process to be meaningful, a degree of modification of the project design or implementation should exist as a possibility, particularly if the project may have adverse impacts on stakeholder groups. It is therefore important that stakeholder inputs are given proper consideration, and that they are informed about how their views will be, or why they cannot be, addressed. This will reduce uncertainty and increase support for the project among affected and involved communities.

Consideration of how stakeholder views may be reflected in project design and implementation should be seen as an ongoing process rather than as a single event or decision point. This is particularly the case in projects implemented in stages, such as projects with multiple components (e.g., power plant, transmission line, and access road) or long, linear projects such as a road or gas pipeline. There are many project design decisions that can be improved by considering stakeholder inputs, and that can avoid or reduce potential adverse environmental and social impacts. A road alignment can be changed to avoid damaging community assets; cultural and spiritual beliefs can influence the design of a health program; and understanding women's and men's preferences for organizing their work can improve the design of water and sanitation projects. A positive outcome of the engagement process is when there is an element of empowerment and key stakeholder groups participate in project decision-making, such as through implementation committees, participatory monitoring, or joint fact-finding exercises.

There may be situations in which a project is far advanced in design or even implementation prior to a client's or IDB Invest's involvement, and when there has been insufficient consultation with relevant stakeholder groups. In such cases, additional consultations should be considered, and reasonable efforts should be made to adjust project components to reflect stakeholder views in a meaningful manner, based on the principles discussed above.

What is Stakeholder Engagement? |

What is the Value-added of Mapping and Engaging with Stakeholders for Clients?

What are the Key Principles of a Meaningful Stakeholder Engagement?

 $| \ How to \ Identify the \ Stakeholders \ Including \ Project-affected \ Communities, and \ Disadvantaged \ and \ Vulnerable \ Groups? \ | \ Project-affected \ Communities, and \ Disadvantaged \ and \ Vulnerable \ Groups? \ | \ Project-affected \ Communities, and \ Disadvantaged \ and \ Vulnerable \ Groups? \ | \ Project-affected \ Communities, and \ Disadvantaged \ and \ Vulnerable \ Groups? \ | \ Project-affected \ Communities, and \ Disadvantaged \ and \ Vulnerable \ Groups? \ | \ Project-affected \ Communities, and \ Disadvantaged \ and \ Vulnerable \ Groups? \ | \ Project-affected \ Communities, and \ Disadvantaged \ and \ Vulnerable \ Groups? \ | \ Project-affected \ Communities, and \ Disadvantaged \ And \ Project-affected \ Communities, and \ Disadvantaged \ And \ Project-affected \ Communities, and \ Disadvantaged \ And \ Project-affected \ Communities, and \ Disadvantaged \ And \ Project-affected \ Communities, and \ Disadvantaged \ And \ Project-affected \ Communities, and \ Disadvantaged \ And \ Project-affected \ Communities, and \ Disadvantaged \ And \ Project-affected \ Communities, and \ Disadvantaged \ And \ Project-affected \ Communities, and \ Disadvantaged \ And \ Project-affected \ Communities, and \ Project-affected \ Communities, and \ Disadvantaged \ And \ Project-affected \ Communities, and \ Project-affected \ C$ 

| How to Map Stakeholders? |

What else to Consider when Mapping Stakeholder in Projects with Significant Risks?

| How to Engage with Stakeholders? |

How to Incorporate Feedback from Communities? |

| Why and When Do Projects Need to Update the Stakeholder Engagement and Mapping? |

How to Monitor and Review Stakeholder Engagement? |

## 9. Why and When Do Projects Need to Update the Stakeholder Engagement and Mapping?

A mistake frequently made is to think of stakeholder engagement as a licensing requirement, or as consisting of a single or a few events that are only required before a project is approved (i.e., a check-the-box exercise). Stakeholder engagement should be an ongoing and iterative process throughout the entire project cycle. It should be based on an analysis of risks and opportunities as they evolve, keeping in mind that new issues and new stakeholders may emerge during the course of project preparation and implementation. New stakeholders who had not earlier been considered may emerge; the engagement process and discussions may show the need to further disaggregate within existing stakeholder groups (e.g., different types of landless workers may have very different rights and opportunities depending on their ethnic background and may need to be considered separately); and people who have a particular view and perspective on the project may change their opinion. For example, politicians, government officials, and other groups initially supportive of the project may lose power and no longer be willing or able to support the project.

To the extent possible, stakeholder views should be given consideration before finalizing decisions taken at any time in the project cycle. Such feedback may also require updating of the stakeholder mapping, especially if circumstances change or unanticipated risks and impacts occur. The updating of the stakeholder mapping should involve and reflect inputs from the stakeholders themselves. They need to be kept updated and consulted on a regular basis about decisions and events that affect them, such as implementation of any mitigation plans or provision of community benefits under the project.

## 10. How to Monitor and Review Stakeholder Engagement?

The measure of a robust management system is that it has the capacity to identify issues and challenges quickly when they arise, and to respond effectively and appropriately. This requires systematic and ongoing monitoring Meaningful stakeholder engagement is important in this process of monitoring and adaptive management, and relevant stakeholder groups must be informed of, and consulted on, any significant project changes. No plans are ever perfect, and they are rarely if ever implemented as envisaged. Unforeseen circumstances happen, and implementation challenges are common. An important element of stakeholder engagement during project implementation is therefore to manage unforeseen circumstances, and to make people aware of changes to plans, schedules, and impacts as the changes are identified. This includes emergency preparedness and responses to accidents and natural disasters, increases in conflict, political turmoil, and other broader risk factors.

Consideration should be given to involving stakeholders in a structured process of participatory monitoring, in which they contribute to designing and implementing the monitoring system. For example, they may help identify indicators that are meaningful to them, and they may participate in recording and analyzing data. This can provide a transparent means for affected stakeholders to verify that the project is delivering what has been agreed, and to be aware of the project's progress towards achieving its overall objectives. A well-designed system of participatory monitoring can provide more objective data and a shared understanding of what the project is achieving, thereby strengthening local ownership and commitment and overall project sustainability.

Completion and closing of a project may involve significant and, in some cases, difficult transitions for local communities and other stakeholders. Benefits provided by the project, such as employment or procurement of local goods, or even provision of basic services, may cease without any guarantee that other institutions will step in and continue to provide support. Large infrastructure projects and projects in the extractive sectors may create strong local dependencies. It is important to be aware of this and to establish a closure strategy at an early date. There needs to be a high degree of transparency around this, and local stakeholders should be kept informed and

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| What is Stakeholder Engagement? |
| What is the Value-added of Mapping and Engaging with Stakeholders for Clients? |
| What are the Key Principles of a Meaningful Stakeholder Engagement? |
| How to Identify the Stakeholders Including Project-affected Communities, and Disadvantaged and Vulnerable Groups? |
| How to Map Stakeholders? |
| What else to Consider when Mapping Stakeholder in Projects with Significant Risks? |
| How to Engage with Stakeholders? |
| How to Incorporate Feedback from Communities? |
| Why and When Do Projects Need to Update the Stakeholder Engagement and Mapping? |
| How to Monitor and Review Stakeholder Engagement? |
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consulted on transition arrangements and end of project impacts. Ideally, the project should be able to document and communicate clearly to its stakeholders that the following three key elements of managing social risks and opportunities have been successfully addressed by the end of the project:

- All adverse impacts have been mitigated so that affected populations are in an equal or preferably better situation than before the project.
- There is evidence the project has provided or contributed to benefits and opportunities.
- Project-related community benefits and other development opportunities have been designed to remain sustainable beyond the lifetime of the project.

Resources on Stakeholder Mapping and Engagement:

- IDB Invest Environmental and Social Sustainability Policy
- IDB Invest Implementation Manual Environmental and Social Sustainability Policy
- <u>IFC Performance Standards on Environmental and</u> Social Sustainability
- Meaningful Stakeholder Engagement: A Joint Publication of the MFI Working Group on Environmental and Social Standards
- IFC Good Practice Note for the Private Sector: Addressing the Risks of Retaliation Against Project Stakeholders

- | What is Stakeholder Engagement? |
- I What is the Value-added of Mappina and Engaging with Stakeholders for Clients?
- | What are the Key Principles of a Meaningful Stakeholder Engagement?
- | How to Identify the Stakeholders Including Project-affected Communities, and Disadvantaged and Vulnerable Groups? |
- | How to Map Stakeholders? |
- | What else to Consider when Mapping Stakeholder in Projects with Significant Risks?
- How to Engage with Stakeholders?
- | How to Incorporate Feedback from Communities? |
- | Why and When Do Projects Need to Update the Stakeholder Engagement and Mapping?
- | How to Monitor and Review Stakeholder Engagement? |

## Annex

### Disclosable Engagement Action Plan

This section contains a standardized template for a stakeholder engagement plan (SEP) that can be disclosed to project stakeholders and the public. This template does not distinguish between projects of different risk levels, but the expectation is that clients will undertake a more in-depth and systematic analysis and engagement process, and document this through the disclosable stakeholder engagement plan, in projects involving substantial risk, scale and complexity.



### **Introduction and Project Description**

Describe the project sponsor, country and sector context, project objectives, key components, location, and stage (early concept and screening; preparation; approval; or implementation). The description should state that the project is being prepared / implemented with support from IDB Invest and that the 2020 IDB Invest Sustainability Framework, including the Sustainability Policy, Access to Information Policy, and the 2012 IFC Performance Standards, will apply to the project. State that stakeholders will be consulted and provided feedback on project activities that affect them throughout the lifetime of the project.



#### **Description of the SEP**

The overall objective of the SEP is to define a program for stakeholder engagement, including public information disclosure and consultation, throughout the lifetime of the project. The SEP outlines the ways in which the project sponsor will communicate with stakeholders. It includes a mechanism by which people can raise concerns, provide feedback, or make complaints about the project and any activities related to the project.



### **Stakeholder identification**

List key stakeholders, including expected beneficiaries, potentially adversely affected groups, and other interested parties. Describe whether some groups or individuals may be disadvantaged when it comes to how adverse impacts may affect them, or whether there are barriers for some in accessing project benefits, and whether there are differences in stakeholders' ability to participate in the project consultation process.



## Summary of previous stakeholder engagement activities

Provide a summary of all project-related stakeholder engagement activities undertaken prior to development of the SEP, including a list of events that includes dates, the number of attendees, and stakeholder groups represented.

- | What is Stakeholder Engagement? |
- I What is the Value-added of Mappina and Engaging with Stakeholders for Clients?
- What are the Key Principles of a Meaningful Stakeholder Engagement?
- $| \ How to \ Identify the \ Stakeholders \ Including \ Project-affected \ Communities, and \ Disadvantaged \ and \ Vulnerable \ Groups? \ | \ Project-affected \ Communities, and \ Disadvantaged \ and \ Vulnerable \ Groups? \ | \ Project-affected \ Communities, and \ Disadvantaged \ and \ Vulnerable \ Groups? \ | \ Project-affected \ Communities, and \ Disadvantaged \ and \ Vulnerable \ Groups? \ | \ Project-affected \ Communities, and \ Disadvantaged \ and \ Vulnerable \ Groups? \ | \ Project-affected \ Communities, and \ Disadvantaged \ and \ Vulnerable \ Groups? \ | \ Project-affected \ Communities, and \ Disadvantaged \ and \ Vulnerable \ Groups? \ | \ Project-affected \ Communities, and \ Disadvantaged \ And \ Project-affected \ Communities, and \ Disadvantaged \ And \ Project-affected \ Communities, and \ Disadvantaged \ And \ Project-affected \ Communities, and \ Disadvantaged \ And \ Project-affected \ Communities, and \ Disadvantaged \ And \ Project-affected \ Communities, and \ Disadvantaged \ And \ Project-affected \ Communities, and \ Disadvantaged \ And \ Project-affected \ Communities, and \ Disadvantaged \ And \ Project-affected \ Communities, and \ Disadvantaged \ And \ Project-affected \ Communities, and \ Project-affected \ Communities, and \ Disadvantaged \ And \ Project-affected \ Communities, and \ Project-affected \ C$
- | How to Map Stakeholders? |
- | What else to Consider when Mapping Stakeholder in Projects with Significant Risks?|
- How to Engage with Stakeholders?
- | How to Incorporate Feedback from Communities? |
- | Why and When Do Projects Need to Update the Stakeholder Engagement and Mapping?
- | How to Monitor and Review Stakeholder Engagement? |



### Stakeholder engagement program

Insert a summary table including the following.

- Project stage: Preparation stage or implementation stage.
- Key stakeholders: Examples may include groups potentially affected by changes in land use and natural resources, groups at risk of violence, Indigenous communities, expected beneficiaries, civil society organizations, and other interested parties.
   Project-affected communities should at a minimum be disaggregated by gender, ethnicity and language, and other social identities relevant to the project context.
- Key topics of consultation: Topics may include project presentation, feedback on proposed or actual project activities, key risks and opportunities, and plans for future engagement, including access to project grievance mechanisms. Stakeholders' views and concerns are documented, and responded to during the consultation events, if possible, otherwise through feedback and follow-up.
- Methods used: Examples include focus group meetings, community consultations, key informant interviews, virtual discussions or surveys, site visits, and conversations.
   Describe how the project will ensure that the views of disadvantaged or vulnerable groups are captured and considered.
- Timeline: List dates or frequency (e.g., monthly, quarterly) The timeline can also state that stakeholders will be provided feedback and consulted on changes or updates to project design or implementation affecting them, as and when relevant.



## Integration of stakeholder views in project design and implementation

Describe how stakeholder inputs have been reflected, or are expected to be reflected, in management decisions related to project design and implementation. This includes seeking the views of specific groups that may be vulnerable or disadvantaged in the project setting, and how they have been identified. Describe measures to remove obstacles to full and meaningful engagement in consultations with these groups.



### Responsibilities and resources for implementing the SEP

Describe who will be responsible for identifying and engaging with stakeholder groups, how the process will be documented, and confirm that appropriate budget and human resources have been or will be allocated to implement the SEP. Indicate whether additional institutional capacity will be required to implement the SEP, and how this will be developed.

- | What is Stakeholder Engagement? |
- I What is the Value-added of Mappina and Engaging with Stakeholders for Clients?
- What are the Key Principles of a Meaningful Stakeholder Engagement?
- | How to Identify the Stakeholders Including Project-affected Communities, and Disadvantaged and Vulnerable Groups?
- | How to Map Stakeholders? |
- | What else to Consider when Mapping Stakeholder in Projects with Significant Risks?
- How to Engage with Stakeholders?
- | How to Incorporate Feedback from Communities? |
- | Why and When Do Projects Need to Update the Stakeholder Engagement and Mapping?
- I How to Monitor and Review Stakeholder Engagement? I



#### **Grievance mechanism**

Describe how stakeholder queries, suggestions, positive feedback, and concerns related to the project's environmental and social performance will be addressed. Describe how the grievance uptake, acknowledgment, follow-up, and feedback will function. Describe how complainant confidentiality will be maintained, as needed. Describe specific mechanisms for addressing complaints or evidence of gender-based violence in relation to the project, applying a survivor-centric approach, and how qualified service providers will support the project and complainants, as needed. State the project's zero tolerance for coercion, violence, and retaliation against project stakeholders, and how the project will ensure that stakeholders are protected against all forms of violence.



### **Management sign-off on SEP**

Confirm that the summary SEP has been approved by management and that appropriate resources have been allocated. Indicate who in management has signed off on the SEP (e.g., Chief Executive Officer, President, Board).



#### **Monitoring and reporting**

Describe how monitoring of the SEP will be undertaken, and how stakeholders will be involved through participatory monitoring, when possible. Summarize key quantitative and qualitative indicators used for the monitoring, and what data collection methods will be used. Describe how reporting back to stakeholders of monitoring data will be done. Describe how SEP monitoring will be used as an input to adaptive management decisions.











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