

# Stakeholder Engagement:

## A Good Practice Handbook for Companies Doing Business in Emerging Markets



## Where We Were in 1998.....

- *Doing Better Business Through Effective Public Consultation & Disclosure (1998)*
- Focus on Public Consultation & Disclosure
- Emphasis on the ESIA process
- Focus on Meeting IFC Requirements

# What's New? Stakeholder Engagement in 2007

- **Broader concept & terminology:** Consultation versus Engagement
- **New Drivers:** Shift from requirement-driven to long-term strategic objectives – relationship-building; risk mitigation; new business identification; enhanced project outcomes
- **New understanding of SE's Strategic Value:** Underpins all other aspects of E&S performance

# 10 Characteristics of Clients Who Get it Right

- Get in Early and Are Proactive despite Uncertainty
- Don't Wait Until there is a Problem to Engage
- Engage both affected communities AND those with interests and influence
- Make long-term investments in relationship building
- Tailor their process to fit the needs of the project and the local context

# 10 Characteristics of Companies Who Get it Right

- Manage Stakeholder Engagement as a Business Function and Integrate with Other Functions
- Communicate the Strategy Internally
- Ensure Senior Mgmt Involvement and Oversight
- Manage Contractor & other Third-Party Risks
- Do not confuse Grievance Processes with Community Engagement or vice-versa

## New Areas of Emphasis & Guidance

- Gender
- Indigenous Peoples
- Documentation of the process
- Reporting to Stakeholders
- Management Functions
- Grievance Mechanisms

## Part Two: Integrating SE and the Project Cycle

### What Clients Told Us:

- SE guidance not tailored to the way companies work
- Companies think in terms of distinct project phases: continuity of staff throughout entire project life is rare
- Lack of real understanding of the links between SE and project planning & implementation functions.
- Need to make explicit how SE should be factored in.  
What are the critical tasks at each stage of the project cycle?

# Factoring SE into each stage of the Project Cycle

- Project Concept
- Feasibility Studies and Project Planning
- Construction
- Operations
- Downsizing, Decommissioning & Divestment

*For each phase, guidance provided on key SE tasks*

# Good Practices: Project Examples

## 32 case examples across regions and sectors

- Lonmin, SA: Toll-free Telephone Hotline
- BTC Pipeline: NGO monitoring program
- Cosan SAIC, Brazil: Integrating Community Engagement Planning into the EMS
- Indo-Egyptian Fertilizer Corp: Gender-Sensitive Community Engagement
- Manila Water: Reporting to Stakeholders

## Download the Handbook

- [www.ifc.org/enviropublications](http://www.ifc.org/enviropublications)
- Forthcoming translations, July 2007:  
French, Spanish, Portuguese, Arabic &  
Chinese