Stakeholder Engagement:
A Good Practice Handbook for Companies Doing Business in Emerging Markets
Where We Were in 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](www.ifc.org/enviropublications)

- Forthcoming translations, July 2007: French, Spanish, Portuguese, Arabic & Chinese