IFC Sustainable Infrastructure Advisory: Guidance on Community Engagement and Local Benefits

Today, there is growing demand for greater transparency and stakeholder engagement from infrastructure companies. Institutional investors and shareholders alike are ever more cognizant of the connection between stronger environmental, social, and governance standards and reduced project risks. Many market-leading companies are exploring new ways to ensure that local communities share in the benefits of their projects and that their operations remain sustainable for the long term.

Our approach
The Sustainable Infrastructure (SI) Advisory team helps increase benefits to local communities and address sustainability challenges. We offer a range of solutions aimed at mitigating social and environmental risks and at ensuring that development benefits are shared locally, specifically with women and youth.

The IFC difference
- SI Advisory experts on the range of issues in infrastructure can advise clients on several aspects of community engagement:
  - **Strategic community investment**: Help clients design local benefit strategies that increase the effectiveness of community investments and build social license to operate
  - **Community climate resilience**: Establish stakeholder partnerships to collectively address risks related to climate, land, and water.
  - **Gender & youth inclusion**: Increase gender equality and youth inclusion by strengthening the capacity of clients, communities, and project teams to implement inclusive solutions.
  - **Local economic development**: Develop supply chains and building the capacity of SMEs for greater local benefit sharing.
  - **Government capacity building**: Improve governance by building the capacity of municipalities and local leaders and helping them engage effectively.
  - **Data, voice & accountability**: Improve transparency and boost digital development by building capacity of clients and stakeholders to effectively use open data and InfraTech.
- CommDev.org, an online platform for best practices and community-industry links, featuring multimedia content by the World Bank Group and partners.

Selected SI Advisory engagements

About IFC
- Largest multilateral source of debt and equity financing for the private sector in developing countries
- AAA-rated by S&P and Moody’s
- Loans, equity, quasi equity, local currency and risk management products, capital markets access, and mobilization
- Advisory services to help develop priority projects, structure and tender PPPs, and improve financial management
- Social, environmental, and corporate governance standards and risk mitigation

With support from

Canada
Norway
Selected SI Advisory projects

Apurimac, Peru  |  Revenue management
The IFC SI Advisory team helped seven municipalities improve their investment management to better respond to the local population’s needs. Our work included promoting participatory planning and accountability and enhancing the capacity of local leaders to participate in municipal investment decisions. The engagement enabled $11 million of additional investment in local educational facilities, water, and roads.

City of Bogota, Colombia  |  Stakeholder engagement
Based on risks identified during the construction and operation of a cable car system in an underdeveloped part of the city area, the IFC SI Advisory team collaborated with local stakeholders to devise a community engagement strategy. It strengthened existing protocols to help the city engage with communities more effectively and improve coordination among institutions. The city has since applied the revised engagement protocols for other community-facing projects.

Oyu Tolgoi, Mongolia  |  Water stewardship
During the South Gobi Water and Mining Industry Roundtable—convened by the IFC SI Advisory team—11 companies created and signed onto a voluntary code of practice for water management and water stewardship in the desert region. The team also trained 1,500 stakeholders on mining and groundwater management.

Compagnie des Bauxites de Guinée, Guinea
Community rail safety
The IFC SI Advisory team designed training tools and material for promotion of rail safety and facilitated the formation of a multi-stakeholder rail safety committee. The team also assessed opportunities to employ local youth and contract with local SMEs through the community rail safety program.

Nepal Water and Energy Development Company
Strategic community investment
In Nepal, the emerging practice is for companies to issue up to 10 percent of their shares as local shares to local community members. In this project, the SI Advisory team developed a local shares allocation plan for the Upper Trishuli hydropower project.

Nachtigal Hydro Power Company, Cameroon
Strategic community investment
The IFC SI Advisory team is continuing its collaboration to strengthen Nachtigal’s community engagement efforts, particularly with women. Focus is on building capacity of local partners to deliver effective community programs and strengthening local content strategy and procedures for increased sourcing of goods and services from community and national suppliers, including women-owned businesses. The effort also involves promoting a workplace environment supportive of male and female employees alike.

Sierra Rutile Limited, Republic of Sierra Leone  |  Strategic community investment
This project delivers inclusive development opportunities for local businesses and communities. It also aims to improve company–community dialogue, reaching more than 1,500 people in two districts through engagement with various stakeholder groups. As part of this project, SRL and IFC also worked to formalize SRL Gender Action Plan. It includes inputs from SRL employees and a formal gender assessment and seeks to increase the recruitment, retention and promotion of female employees as well as building a parent-friendly workplace.

Knowledge and thought leadership
• Local Benefit Sharing in Large-Scale Wind and Solar Projects
• Guide to Community Engagement for Public-Private Partnerships (Draft for Discussion)
• Data Innovation for a Stronger Social License
• Toolkit: Unlocking Opportunities for Women and Business
• Virtual Sustainability Exchange: Online event with industry, government, community, artists and academia

IFC Sustainable Infrastructure Advisory contacts
Veronica Nyhan Jones  |  Washington, DC (Global, Europe)  +1 202 473 7940  vnyhanjones@ifc.org
Arjun Bhalla  |  Washington, DC (Asia)  +1 202 476 0096  abhalla@ifc.org
Rodrigue Djahlin  |  Abidjan (Africa)  +225 22 400 403  rdjahlin@ifc.org
Fernando Ruiz-Mier  |  Bogotá (Latin America)  +57 1 313 6830  fruizmier@ifc.org
Adriana Eftimie  |  Washington, DC (Gender Expert)  +1 202 458 5394  aeftimie@ifc.org

International Finance Corp  |  2121 Pennsylvania Ave., N.W., Washington, DC 20433
+1 (202) 473-3800 |  www.ifc.org |  www.ifc.org/infrastructure