

EBRD Performance Requirement 10

Information Disclosure and Stakeholder Engagement

Introduction

1. This Performance Requirement (PR) recognises the importance of an open and transparent engagement between the client, its workers, local communities directly affected by the project and, where appropriate, other stakeholders as an essential element of good international practice (GIP) and corporate citizenship.¹ Such engagement is also a way of improving the environmental and social sustainability of projects. In particular, effective community engagement, appropriate to the nature and scale of the project, promotes sound and sustainable environmental and social performance, and can lead to improved financial, social and environmental outcomes, together with enhanced community benefits. Stakeholder engagement is central to building strong, constructive and responsive relationships which are essential for the successful management of a project's environmental and social impacts and issues. To be effective, stakeholder engagement should be initiated at an early stage of the project cycle.
2. This PR identifies GIP relating to ongoing stakeholder engagement as an ongoing process which involves: (i) public disclosure of appropriate information; (ii) meaningful consultation with stakeholders; and (iii) an effective procedure or mechanism by which people can make comments or raise grievances. The process of stakeholder engagement should begin at the earliest stage of project planning and continue throughout the life of the project. It is an integral part of the assessment, management and monitoring of environmental and social impacts and issues of the project. Therefore, this PR should be read in conjunction with PR 1, and with the requirements in PR 2 regarding engagement with workers. In the case of projects involving involuntary resettlement and/or economic

displacement, affecting Indigenous Peoples or having an adverse impact on cultural heritage, the client will also apply the special disclosure and consultation requirements as foreseen in PR 5, PR 7 and PR 8.

Objectives

3. The objectives of this PR are to:
 - outline a systematic approach to stakeholder engagement that will help clients build and maintain a constructive relationship with their stakeholders, in particular the directly affected communities
 - promote improved environmental and social performance of clients through effective engagement with the project's stakeholders
 - promote and provide means for adequate engagement with affected communities throughout the project cycle on issues that could potentially affect them and to ensure that meaningful environmental and social information is disclosed to the project's stakeholders
 - ensure that grievances from affected communities and other stakeholders are responded to and managed appropriately.

Scope of application²

4. This PR applies to all projects that are likely to have adverse environmental and social impacts and issues on the environment, workers or the local communities directly affected by the project. The clients are expected to identify and engage with stakeholders as an integral part of their overall environmental and social management system (ESMS), the project's environmental and social assessment process and the environmental and social management plan (ESMP) as outlined in PR 1.

Requirements

5. Clients will conduct stakeholder engagement

¹ This Performance Requirement is guided by the spirit, principles and ultimate goals on public disclosure and stakeholder engagement comprised in the United Nations Economic Commission for Europe (UNECE) Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters.

² In addition, special provisions on emergency preparedness and response are covered in PR 4.

on the basis of providing local communities that are directly affected by the project and other relevant stakeholders with access to timely, relevant, understandable and accessible information, in a culturally appropriate manner, and free of manipulation, interference, coercion and intimidation.

6. Stakeholder engagement will involve the following elements: stakeholder identification and analysis, stakeholder engagement planning, disclosure of information, consultation and participation, grievance mechanism, and ongoing reporting to relevant stakeholders.
7. The nature and frequency of stakeholder engagement will be proportionate to the nature and scale of the project and its potential adverse impacts on the affected communities, the sensitivity of the environment and the level of public interest. In order to tailor the engagement to the specifics of the client and the project, it is essential that clients identify stakeholders as outlined below. The requirements of national law with respect to public information and consultation, including those laws implementing host country obligations under international law, must always be met.
8. The client 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.

Engagement during project preparation

Stakeholder identification

9. The client will identify and document the various individuals or groups who (i) are affected or likely to be affected (directly or indirectly) by the project (affected parties); or (ii) may have an interest in the project (other interested parties).
10. The client will identify individuals and groups that may be differentially or disproportionately affected by the project because of their disadvantaged or vulnerable status (See PRs 1, 5 and 7) and identify whether these individuals or any other stakeholder groups are likely to be excluded from, or unable to participate in, the mainstream consultation process or would require specific measures and/or assistance to

do so. Where relevant, the client will also identify different interests within the identified groups. This may be due to issues such as differing ages, gender and ethnic and cultural diversity, giving rise to different concerns and priorities about project impacts, mitigation measures and benefits. Therefore this may require different and/or separate forms of engagement. The client will also identify how stakeholders may be affected and the extent of the potential (actual or perceived) impacts. Where impacts are perceived, additional communication may be required to provide information and reassurance of the assessed level of impacts. An adequate level of detail must be included in the stakeholder identification so as to determine the level of communication that is appropriate for the project.

Stakeholder Engagement Plan

11. For projects that are likely to have adverse environmental or social impacts and issues, the client will develop and implement a Stakeholder Engagement Plan (SEP) appropriate to the nature and scale or the risks, impacts and development stage of the project. For any project that requires an Environmental and Social Impact Assessment (ESIA), the SEP will apply the disclosure and consultation requirements outlined below in paragraphs 21 to 25. The SEP will be tailored to take into account the main characteristics and interests of the affected parties, and the different levels of engagement and consultation that might be appropriate for affected parties and other interested parties. The SEP will outline how communication with identified stakeholders will be handled throughout project preparation and implementation, including the grievance procedure (see below) envisaged. The level of detail needed will be determined on a case-by-case basis. Resources available for public information and consultation should focus on affected parties, in the first instance.
12. The SEP should document how consultation will be carried out with different groups in the community, identifying what measures will be implemented to remove barriers from participation. These may be based on issues such as gender, age, or other differences, and how the views of differently affected groups

will be documented. 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 to communicate effectively with such stakeholders. When the stakeholder engagement depends substantially on community representatives,³ the client will make reasonable efforts to verify that such persons do, in fact, represent the views of affected communities and that they are facilitating the communication process by communicating the information to their constituents and conveying their comments to the client or authorities, as appropriate.

13. Where stakeholder engagement is the responsibility of the relevant governmental authorities, the client will collaborate with the responsible government authority to the extent permitted to achieve outcomes that are consistent with this PR. Where there are gaps between the local regulatory requirements and this PR, the client will identify engagement activities to supplement the formal regulatory process and, where appropriate, commit to supplemental actions.
14. In cases where the exact location of the project is not known, the SEP will take the format of a framework approach as part of the client's overall ESMS, outlining general principles and a strategy to identify affected stakeholders and plan for an engagement process in accordance with this PR that will be implemented once the location is known.
15. Clients with multi-site operations and projects involving general corporate finance, working capital or equity financing will adopt and implement a corporate SEP. The corporate SEP will be commensurate to the nature of the client's business and its associated environmental and social impacts, and the level of public interest. The SEP should be rolled out to facilities in a timely manner. It will include procedures and resources to ensure that adequate stakeholder engagement is conducted at the facility level, and that stakeholders proximal to its facilities

receive information on the relevant facility's environmental and social performance.

Information disclosure

16. Disclosure of relevant project information helps stakeholders understand the risks, impacts and opportunities of the project. If communities may be affected by adverse environmental or social impacts from the project, the client will provide them with access to the following information (the Information):
 - the purpose, nature, scale and duration of the project activities
 - risks to, and potential impacts on, stakeholders and proposed mitigation plans
 - the envisaged stakeholder engagement process, if any, and opportunities and ways in which the public can participate
 - the time and venue of any envisaged public consultation meetings, and the process by which meetings are notified, summarised and reported
 - the process by which any grievances will be managed.
17. The Information will be disclosed in the local language(s), as identified in the SEP, and in a manner that is accessible and culturally appropriate. This will take into account specific needs of groups that may be differentially or disproportionately affected by the project because of their status, or groups of the population with specific information needs.

Meaningful consultation

18. Meaningful consultation is a two-way process. The consultation process with affected parties will be undertaken in a manner that is inclusive and culturally appropriate, and which represents the views and specific needs of various groups as identified in the SEP or made aware to the client during the implementation of the SEP. The consultation will also include, beyond the affected parties, any groups or individuals who have been identified as other interested parties. The client will take into consideration the main language preferences of the affected parties, their decision-making process, and the needs of disadvantaged or vulnerable groups. The client

³ For example, community and religious leaders, local government representatives, civil society representatives, politicians, teachers, and/or others representing one or more affected stakeholder groups.

will ensure that the consultation will be free of external manipulation, interference, coercion or intimidation.

19. The need for, and nature of, any specific consultation will be determined on the basis of the stakeholder identification, and depending on the nature and scale of the project's potential adverse impacts on affected communities. Where affected communities may be subject to significant adverse future impacts from a project, the client 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 client 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. If clients have already engaged in such a process, they will provide adequate documented evidence of such engagement.
20. The client will inform those who have participated in the public consultation process in a timely manner of the final decision on the project, associated environmental and social mitigation measures and any benefits of the project for the local communities, along with reasons and considerations on which the decision is based, and the grievance or complaint mechanism or process available.

Disclosure and consultation on Category A projects

21. Category A projects⁴ could result in potentially significant adverse future environmental and/or social impacts which cannot readily be identified and will require the client to carry out a formalised, participatory ESIA process. Disclosure and consultation requirements will be built into each stage of the ESIA process on a case-by-case basis. Informed participation involves organised and iterative consultation, leading to the client's incorporating into its decision-making process the views of the affected parties on matters that affect them directly, such as proposed mitigation measures, the equitable sharing of benefits and opportunities from projects, and implementation issues.
22. The client will engage in a scoping process with interested parties and identified stakeholders at an early stage of the ESIA process to ensure identification of key issues to be assessed as part of the ESIA. As part of the scoping process, stakeholders should be able to provide comments and recommendations on a draft SEP and other scoping documents.
23. If an environmental and social action plan (ESAP) has been agreed for a project requiring an ESIA, the client will disclose the ESAP to the affected parties in accordance with the SEP.
24. In addition, the consultation process must meet any applicable requirements under national environmental impact assessment laws and other relevant laws. The client must keep the ESIA in the public domain throughout the life of the project, but it may be amended, from time to time, with additional information, or archived following project completion, as long as it is available on request in a timely manner.
25. The client is required to provide regular reports to its interested stakeholders on its environmental and social performance, as a separate publication, or on its web site, as detailed in the SEP. These reports will be in a format accessible to the affected communities and their frequency will be proportionate to the concerns of affected communities, but not less than annually.

Engagement during project implementation and external reporting

26. For all projects, the client will provide information to identified stakeholders, on an ongoing basis, appropriate to the nature of the project and its adverse environmental and social impacts and issues, and the level of public interest throughout the life of the project. 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 has identified as of concern to the affected communities.

⁴ A list of indicative Category A projects is provided in Appendix 2 to the EBRD Environmental and Social Policy.

27. If there are material changes to the project which result in additional adverse impacts or issues of concern to the affected communities, the client will inform them how these impacts and issues are being addressed and disclose an updated ESMP in accordance with the SEP. If these additional adverse impacts on affected communities are significant, the client may, on a case-by-case basis, be required to carry out additional information disclosure and consultation in line with paragraphs 16 to 20.

Grievance mechanism

28. The client will need to be aware of and respond to stakeholders' concerns related to the project in a timely manner. For this purpose, the client will establish an effective grievance mechanism, process or procedure to receive and facilitate resolution of stakeholders' concerns and grievances, in particular, about the client's environmental and social performance. The grievance mechanism should be scaled to the risks and potential adverse impacts of the project.
- The grievance mechanism process or procedures should address concerns promptly and effectively, in a transparent manner that is culturally appropriate and readily accessible to all segments of the affected communities, at no cost and without retribution. The mechanism, process or procedure must not prevent access to judicial or administrative remedies. The client will inform the affected communities about the grievance process in the course of its community engagement activities, and report regularly to the public on its implementation, protecting the privacy of affected individuals.
 - Handling of grievances should be done in a culturally appropriate manner and be discreet, objective, sensitive and responsive to the stakeholders' needs and concerns. The mechanism should also allow for anonymous complaints to be raised and addressed.