SEMINAR
Good Practice Social Considerations in Myanmar

26-27 July, 2017

Session 5 Stakeholder Engagement

NIPPON KOEI CO., LTD.

REEMAN CONSULTING Social Clarity

Session 5 - Objectives

- Define good international practice for stakeholder engagement

- Provide some practical tools and considerations for community engagement in Myanmar using examples and case studies

- Explore the concept of stakeholder/community engagement planning further using a small group activity

- Highlight the importance of good information disclosure and documenting, monitoring and tracking engagement

2

Myanmar Laws and Public Participation

- 2016 Myanmar Investment Law and 2017 Draft Investment Rules

- 2015 EIA* Procedure: Public Participation Requirements

- 2017 Draft Myanmar Guideline on Public Participation in EIA

- Others, e.g., National Land Use Policy (2016), Protection of Rights of National Races Law (2015), Notice to Ensure Responsible Investment in the Thilawa SEZ 4/2015

EIA = Environmental Impact Assessment

3

(Some) International Guidance on Stakeholder Engagement

- International Finance Corporation (2007), Stakeholder Engagement: A Good Practice Handbook for Companies Doing Business in Emerging Markets.

- OECD Best Practice Principles on Stakeholder Engagement in Regulatory Policy (Draft for public consultation, 2016).

- Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector (OECD, 2015)

- Voluntary Principles on Security and Human Rights Implementation Guidance Tools (IGTs, 2011)

- Stakeholder Research Toolkit (ICMM, 2015)

- Stakeholder Dialogues Manual (GIZ and BMZ, 2011)

http://www.securityhumanrightshub.org/content/general-guidance-stakeholder-engagement

NIPPON KOEI CO., LTD.

4

Who Are Stakeholders?

- *Stakeholders are persons or groups who are directly or indirectly affected by a project, as well as those who may have interests in a project and/or the ability to influence its outcome, either positively or negatively.*

- *Stakeholders may include locally affected communities or individuals and their formal and informal representatives, national or local government authorities, politicians, religious leaders, civil society organizations and groups with special interests, the academic community, or other businesses.*

- *The "stake" that each of these different individuals or groups has in a project or investment will vary.*

<u>Source:</u> International Finance Corporation (2007), Stakeholder Engagement: A Good
Practice Handbook for Companies Doing Business in Emerging Markets.

5

Stakeholders....

NIPPON KOEI CO., LTD.

Different Stakeholder Groups…

6

Communities
- Community members and leaders
- Vulnerable groups
- Indigenous peoples

Employees and employee unions

Contractors and sub-contractors

Government agencies/regulators
- National, Regional, Local
- Township, Ward/Village Tract
- Village authorities

NGO's and other civil society

Civil society organizations
- Local civil society organizations
- International NGOs

Suppliers and other business partners

Investors and shareholders (e.g., finance institutions)

Others
- Monastery, Church, Mosque
- Academic institutions, teachers and other professionals
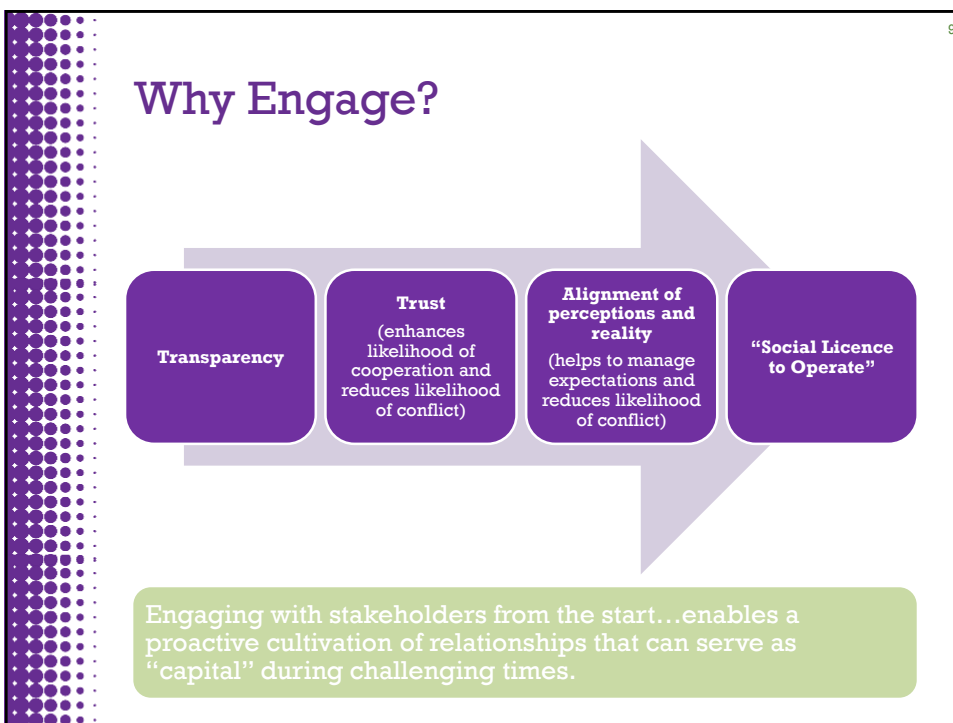- Opinion leaders
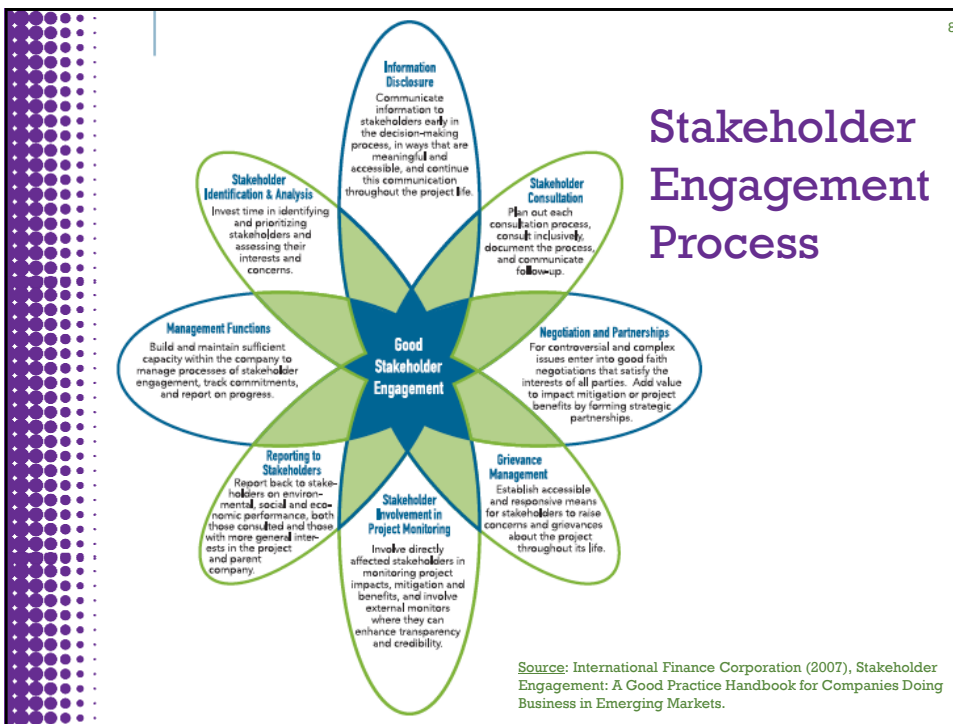- Political parties

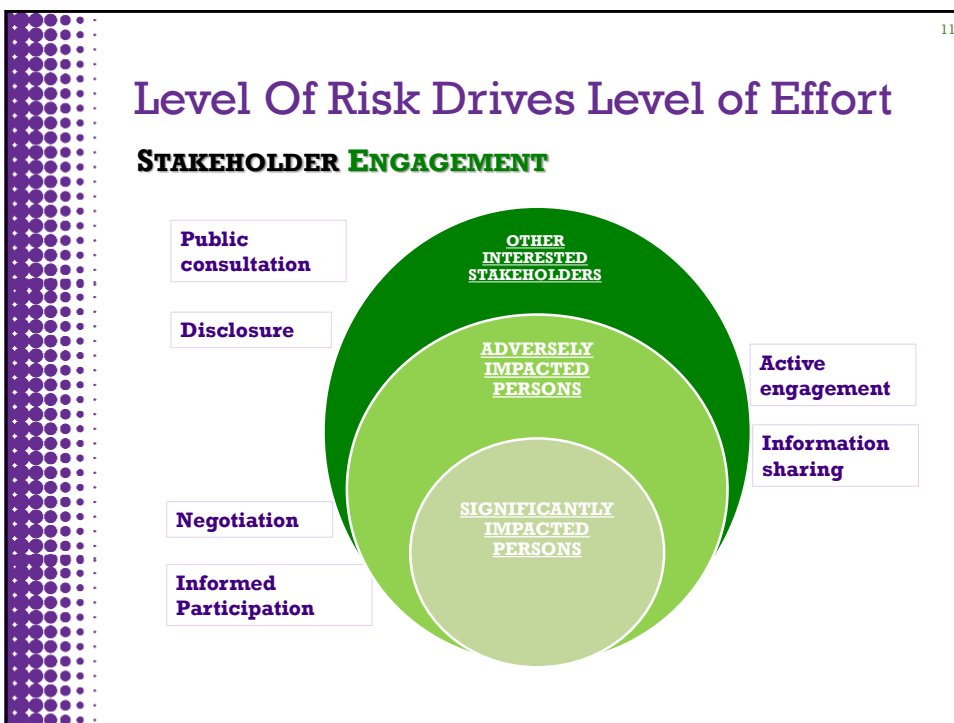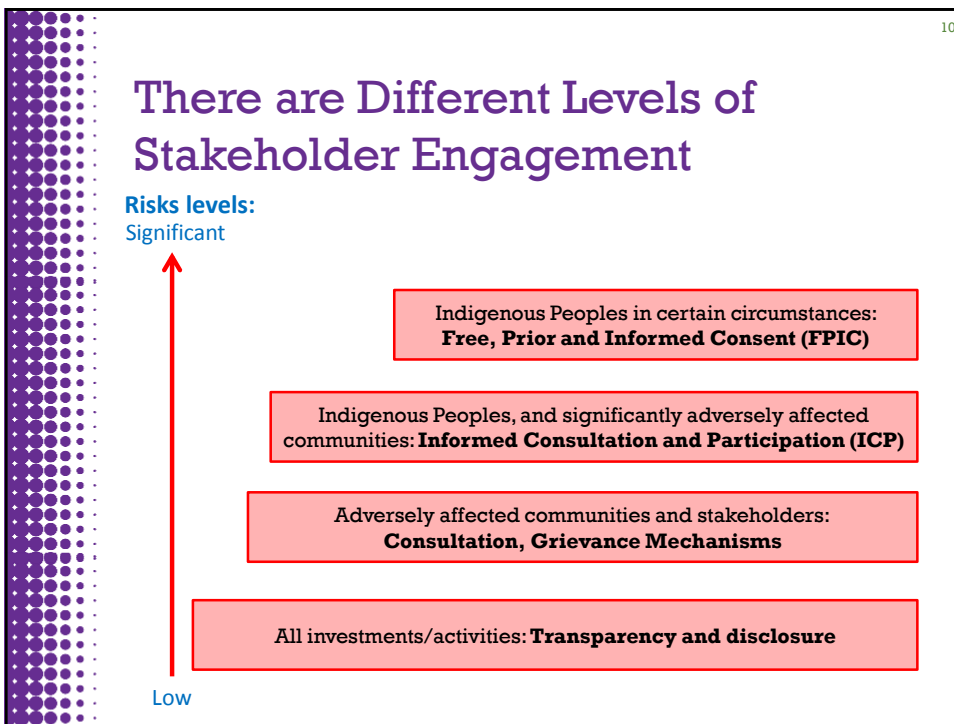## What is Stakeholder Engagement?

7

- Often used as a 'byword' for 'public relations' or for managing reputation, but it is actually something else….

- Requires a shift in thinking about stakeholder issues as 'outside' concerns that need to be managed to serious topics that merit dialogue

- The first step is to build internal alignment on what stakeholder engagement means…..

Stakeholder engagement is a broad, inclusive, and continuous process between an organisation/project and those potentially impacted that encompasses a range of activities and approaches, and spans the entire life of a project

It is about building and maintaining constructive relationships, through a range of activities that reflect the level of project risks and impacts

Source: Adapted from BSR, Five Step Guide to Stakeholder Engagement

NIPPON KOEI CO., LTD.

Stakeholder Engagement Process

Source: International Finance Corporation (2007), Stakeholder Engagement: A Good Practice Handbook for Companies Doing Business in Emerging Markets.

Why Engage?

Transparency → Trust (enhances likelihood of cooperation and reduces likelihood of conflict) → Alignment of perceptions and reality (helps to manage expectations and reduces likelihood of conflict) → "Social Licence to Operate"

Engaging with stakeholders from the start…enables a proactive cultivation of relationships that can serve as "capital" during challenging times.

NIPPON KOEI CO., LTD.

There are Different Levels of Stakeholder Engagement

Risks levels:
Significant

Indigenous Peoples in certain circumstances: **Free, Prior and Informed Consent (FPIC)**

Indigenous Peoples, and significantly adversely affected communities: **Informed Consultation and Participation (ICP)**

Adversely affected communities and stakeholders: **Consultation, Grievance Mechanisms**

All investments/activities: **Transparency and disclosure**

Low

Level Of Risk Drives Level of Effort

STAKEHOLDER ENGAGEMENT

Public consultation

Disclosure

OTHER INTERESTED STAKEHOLDERS

ADVERSELY IMPACTED PERSONS

SIGNIFICANTLY IMPACTED PERSONS

Active engagement

Information sharing

Negotiation

Informed Participation

NIPPON KOEI CO., LTD.

12

What is "Meaningful" Consultation?

- Informed
- Interactive (Two-way engagement)
- Inclusive
- Iterative
- Influences the decision-making process
- Incorporates access to a Grievance Mechanism (Session 6)

13

Informed

- Sufficient time – information in advance?

- Substantive – full description of project?

- Understandable – in non-technical terms? Local language? Format stakeholders can understand?

- Accessible – convenient access to information?

14

Interactive

- "Interactive" can mean different things to different groups

- Generally it means "two-way" dialogue

- × Not one-way communication of a message after the decision has been made

- On topics of interest to stakeholders

15

Inclusive

Trusted third parties

- Recognize and accommodate unequal power relationships

- Views of both men & women

- Consider sub-groups (minorities, youth, elders)

- Vulnerable groups who may be unwilling or unable to express themselves in a large public meeting

- "Verify" community representation

Free from coercion or intimidation

Iterative (and ongoing)
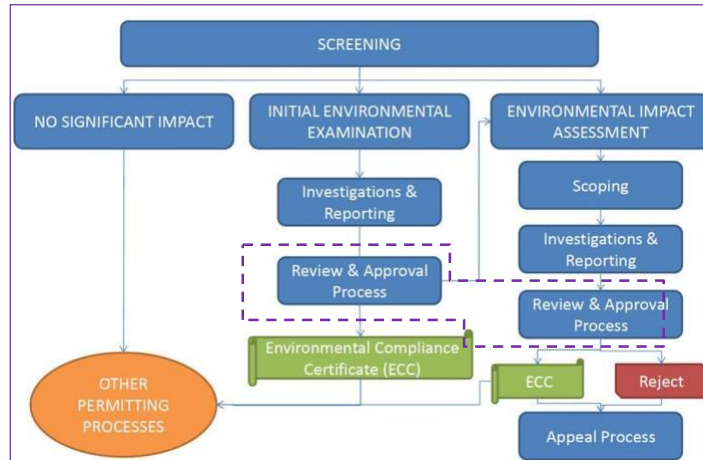
Summary Myanmar EIA Procedure

- Several "one-off" public meetings are usually insufficient for achieving meaningful engagement

Influences Decision-Making

Demonstrated incorporation of stakeholder views in the decision-making process:

- Project design & implementation

- Impact mitigation

- Project benefits

18
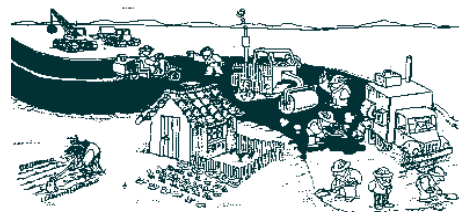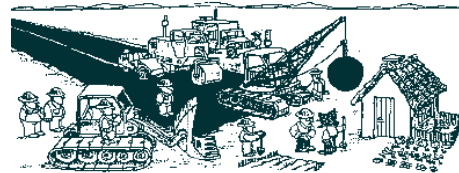
When Should Engagement Start?

Stakeholder engagement should start early in the project cycle

- Engagement should begin as early as screening and continue throughout the project life
  - Be careful to <u>engage selectively</u> in the early stages
  - Be aware that <u>relationship building takes time</u>
  - <u>Don't wait</u> until problems arise

  The absence of established relationships, communication channels and effective engagement methods can put the project at an immediate disadvantage in managing a conflict or crisis situation

19

Some Common Excuses Given to Avoid Starting Engagement

- It's too early

- It takes too long and costs too much

- This is confidential information

- It will stir up opposition

- There is no regulatory requirement to do it

- We will only hear from the powerful or articulate

- We'll raise expectations

20

Stakeholder Identification

Impacts		Influence	
☺	☹	☺	☹

- Identify stakeholders impacted by or interested in project activities

- Take a systematic approach

- Use stakeholder mapping to identify potentially affected individuals and groups

21

Stakeholder Mapping Tips

- **Map the key project components**, both on- and offsite, which may give rise to local environmental or social impacts

- **Identify the broad impact zones** for each of those project components – "Area of Influence"

- **Verify** which groups are potentially affected, and by which impacts, through consultation with relevant stakeholder representatives

- **Use a range of tools, e.g., aerial photographs**

22

Stakeholder Identification & analysis

- **"Host communities"** may need to be sub-divided into relevant groups for large projects

- It is essential to define exactly who and how you will engage with host communities
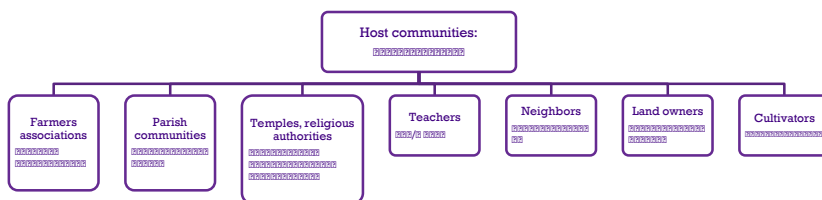
Source: Adapted from MCRB presentation with DICA (2017)

23

Example: Stakeholder Map

Example: Community Profile

The Stakeholder Engagement Plan

Some key considerations

- Develop the stakeholder engagement plan *early* and then update it regularly

- The plan is a *"living document"* that can be modified as the project progresses

- Update plan so that it remains *"fit for purpose"* and appropriately scaled for the scope of the project in each phase

- Identify the entire engagement process and focus on the *different requirements for each stage of the project cycle*

Keep it Simple

26

Example: Stakeholder Engagement "Action" Plan

No.	A PURPOSE	B TARGET GROUP	C TASKS / METHODS	D SCHEDULE OR FREQUENCY	E RESPONSIBILITY
1	Implement Income Restoration Program (IRP) and other assistance measures	• Resettled and economically displaced families (PAPs)	• Household visits to disburse assistance • Meetings, workshops, training to implement IRP	As required until at least end 2016	Community Coordinator Externa Service Providers
2	Monitor displaced families (standard of living and livelihoods)	• Relocation site residents (PAPs)	• Regular household visits • External monitoring and evaluation survey	Household visits – at least monthly External monitoring – 2 times/year	Community Coordinator External Consultant
3	Implement grievance procedure	• Relocation site residents • All displaced families • Host communities • Communities in Direct "Area of Influence" around project site	• Leaflet with procedure • Capacity building in use of grievance procedure • Training for community leaders in receiving grievances	Start June 2015 At least 2 workshops in grievance procedure Training meeting for community leaders	Community Coordinator NGOs/Others in capacity building and training
4	Strategic level engagement on key environmental & social (E&S)	• Multi-stakeholder committee	• Meetings in Yangon	Every 2 months (or more if required)	Committee Members

27

Stakeholder Engagement Tools

Role plays

Maps, models, photos, etc

Public meetings

Online feedback

Perception surveys

Community information centres

Brochures, leaflets, etc

Website

Phone hotline

Individual meetings

Focus group discussions

Email

Advisory panels

Signboards

Site tours

Community Newsletter

Frequently Asked Questions Leaflet

Community consultation committees

Others?

14

28

What to Engage About?

Community emergency preparedness & response

Social and environmental impacts of the project

Shared infrastructure

Air, water and noise pollution prevention

Land acquisition, resettlement and compensation

Employment opportunities

Supplier opportunities

Other environmental topics

Influx/in-migration

Transport and traffic safety

Security and exclusion zones

Grievance mechanisms

Corporate Social Responsibility (CSR) opportunities and activities

Local employees and working conditions

Community health and safety including communicable disease prevention

Community access to natural resources including water, fisheries & forests

Vulnerable groups

And many other topics.........

29

To Consider in Preparing a Stakeholder Engagement Plan

Purpose:	• what are the reasons for consulting with stakeholders at this phase of the project?
Requirements:	• are there requirements for consultation that need to be met at this phase of the project?
Stakeholders:	• who are the key stakeholders that need to be consulted during this phase of the project?
Priority issues:	• are there any high risk groups or issues requiring special attention at this stage?
Techniques:	• which techniques and methods will be most effective in engaging with the different stakeholder groups?
Responsibilities:	• who within Company or Government is responsible for what engagement activities?
Resources:	• what resources are available and required, what budgets will be needed for this phase of the project?
Documentation:	• how will the results of the process be captured, recorded and tracked?
Reporting:	• how will results of the engagement process be disseminated, reported internally and back to stakeholders?
Monitoring:	• what monitoring of engagement activities is required and how can affected people be involved?

Focus on the *ACTION PLAN* part of the SEP

Information Disclosure

Provide access to information on:

- Nature and scale of project

- Duration of project activities

- Potential risks & impacts on communities and proposed mitigation measures

- Opportunities for benefits including employment

- Stakeholder engagement processes

- Grievance mechanism

Example: Main information centre and satellite centres

Example: Community Information Centre in Economic Zone

- Two information centres in 2 locations

NIPPON KOEI CO., LTD.

34

Interactive Exercise: Community Engagement Plan

1. Split into groups

2. Develop a Community Engagement "action plan" for an SEZ in Myanmar

3. Use the template provided or your own

20

35

Managing Stakeholder Expectations

- Be clear and consistent in describing impacts and what benefits the project can deliver (e.g., don't inflate number of jobs)

- Plan ahead and anticipate issues

- Create robust procedures for developing disclosure materials
  - Make sure there is a "consistent message" in the materials disclosed
  - Use established and approved project details (e.g., expected employment figures)
  - Get sign-off from managers on key facts and figures

- Explain uncertainties and their limits e.g. by describing the "most likely", "best" and "worst" case scenarios

- Release sensitive information in face-to-face meetings first (e.g., compensation rates, resettlement sites)

36

Documenting, Monitoring & Reporting Engagement

- ***If it isn't documented, it didn't happen!***

- Set up a stakeholder tracking tool or system
  - Update it regularly

- Also track "issues and issues management" – it is an important part of demonstrating 'meaningful' engagement

- An effective stakeholder engagement management system will help to manage risks, including claims by external parties.....

- Circulate key stakeholder information to project teams to keep them informed

- *Keep track of your commitments*

Example:

Community Diary

COMMUNITY DIARY					REF. N.
Date met:					
Location:					
Subject:					
Reported by:			Date		
Person(s) met:		Contact details:			
	Nature of interaction:	Complaint ☐	Commitment ☐	Request ☐	Other ☐
Details of Interaction:	What was said?				
	What was your observation:				
Recomendation					
Follow up actions:		Responsibilty:		Deadline	
Closed Out:	Yes ☐ No ☐	Comments:		Date:	

19

38

Example: Stakeholder Tracking

A simple spreadsheet or database can be used

1. Date of Engagement (dd/mm/yyy)	2. Type of Engagement	3. Purpose of Meeting	4. Company Representatives (List names)	5. Stakeholder / Organization	6. Name of Stakeholder / Organization	7. Location & Contact Details	8. Relationship to RHN	9. Number of Attendees	10. Gender	11. Key Issue / Comment / Concern	12. Commitments Made? (Describe briefly)	13. Follow-up Required (If yes, describe in remarks)	14. Remarks and Description	15. Closed Out
	1. Individual or small group meeting			1. Local community/resident		1. Project affected person/group				1. Water quality & supply	1. Yes			1. Yes
	2. Large meeting/workshop			2. Local government		2. Government/regulatory authority				2. Land acquisition & livelihoods	2. No			2. No
	3. Public meeting			3. Regional/national government		3. Government & affected people				3. Recruitment & employment	3. To be determined			
	4. Written correspondence			4. Community-based organisation		4. Contractor				4. Cultural heritage				
	5. Focus group discussion			5. Local/regional business		5. Partner/supplier				5. Environment				
	6. Household visit			6. Non-government organisation		6. Observer/interested party				6. Community health & safety				
	7. Key Informant Interview			7. General public						7. ESIA				
	8. Survey/questionnaire			8. Media						8. Supply opportunities				
				9. International stakeholder						9. Permitting				
				10. Other						10. Construction				
	Notes: Large meeting/workshop is approx. 10+ people									11. Contractors				
										12. Various				
										13. Transport/Logistics				

39

Example: Comprehensive Information Management System

- Visualization of unresolved grievance origins

Tracking stakeholder interactions

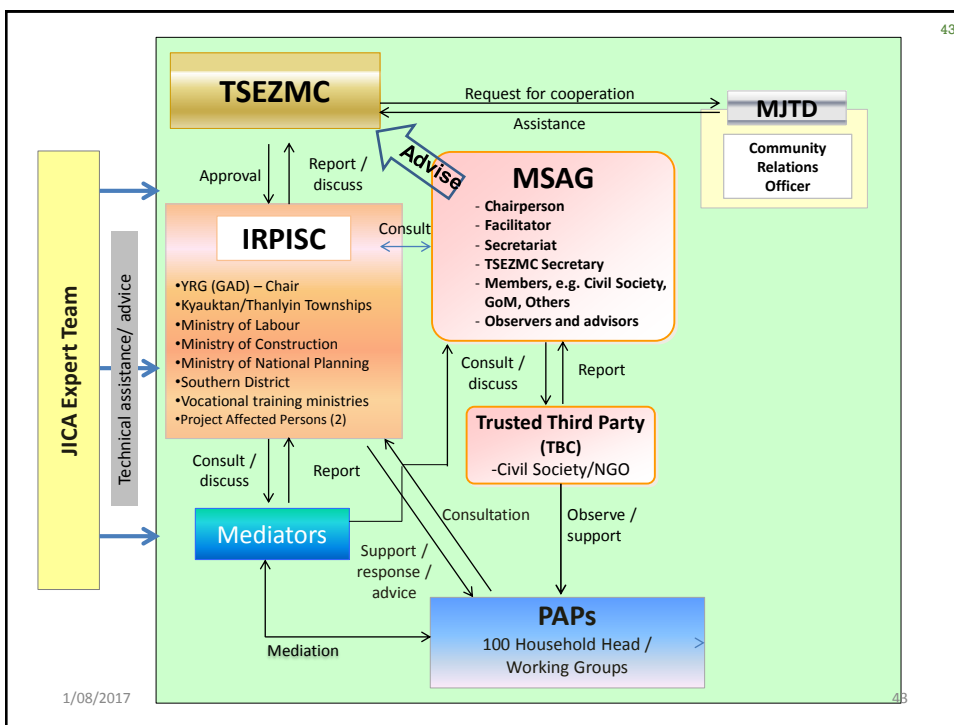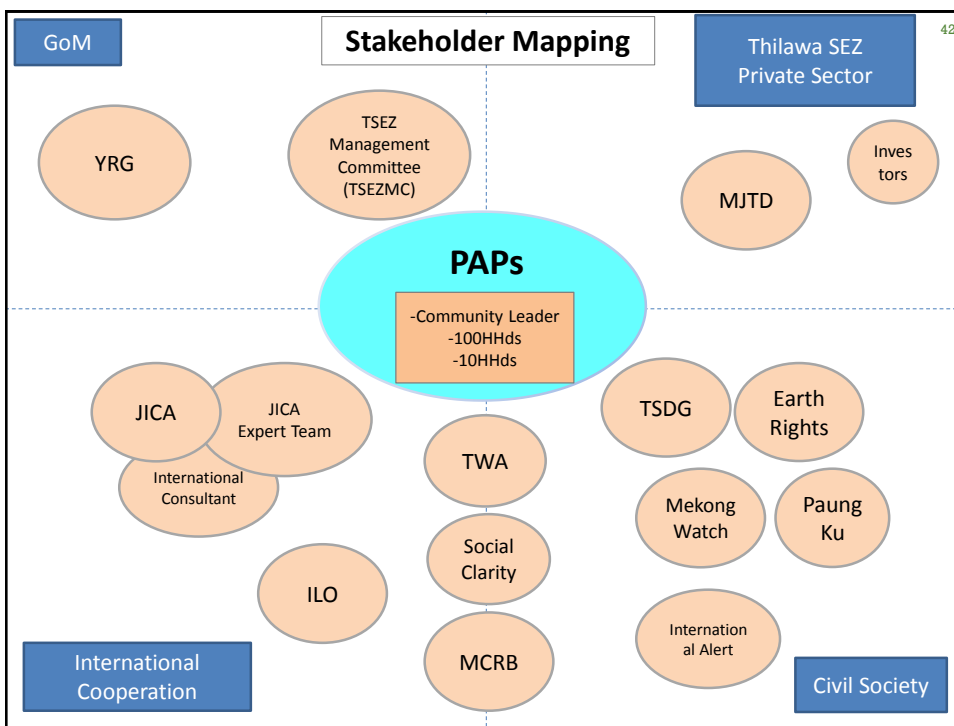Mapped and tracked by community and by type

Stakeholder Mapping
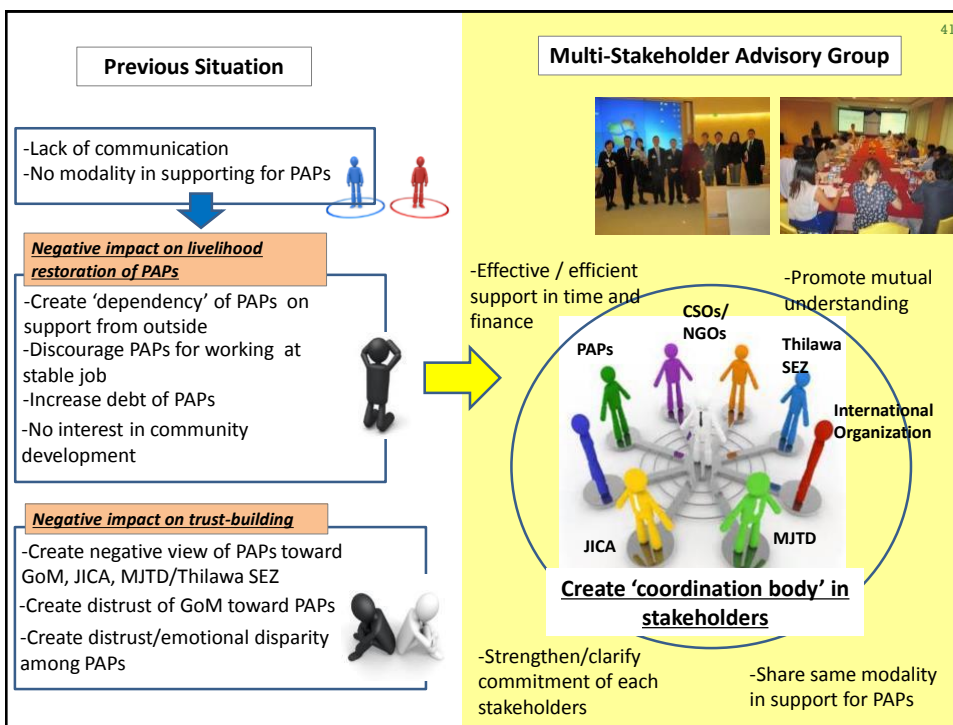
MSAG Evaluation (Aug 2016)
-MAIN FINDINGS-

- Stakeholders agree that the **creation of the MSAG was necessary and timely,** however, it appears to have reached **its limits**;
- The majority of stakeholders agree that the MSAG's most important function is that of **dialogue**;
- The MSAG is **not an adequate mechanism through which the community can pursue resolution of their grievances** (and most agree that the MSAG meetings are not the place for it);
- There are **concerns regarding the role and influence of some of the MSAG participants,** especially in terms of their ability to act on community grievances;

- The majority of stakeholders expressed **doubts about the representativeness of the current community representatives** who attend MSAG meetings; stakeholders do not feel that they interact with the 'true' representatives;
- MSAG meetings - if they continue - should **take place in Thilawa**;
- **Yangon Regional Government**'s current absence from the MSAG is regretted and their presence considered crucial to future dialogue;
- The right entities are represented in the MSAG, however, there is a **need to ensure that individuals representing those entities have the power and will to communicate community needs to those who can act upon them**;
- There is a communication deficit in Thilawa and a **communication strategy** should be designed and implemented to ensure that all stakeholders are informed of relevant developments within the Zone.

NIPPON KOEI CO., LTD.

2015 United Nations Forum on Business and Human Right in Geneva

http://www.ohchr.org/EN/Issues/Business/Forum/Pages/ForumonBusinessandHumanRights.aspx