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Workshop

Stakeholder Engagement and Grievance Redress Mechanism

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Information Disclosure and Stakeholder Engagement

Information Disclosure and Stakeholder Engagement

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- To identify people or communities that are or could be affected by the project, as well as other interested parties.
- To ensure that such stakeholders are appropriately engaged on environmental and social issues that could potentially affect them through a process of information disclosure and meaningful consultation.
- To maintain a constructive relationship with stakeholders on an ongoing basis through meaningful engagement during project implementation.

Stakeholder Definition

A stakeholder is someone who affects or is affected by your company's products or activities. A stakeholder can be either within or outside your organization. Key stakeholder groups include **employees**, **customers**, **suppliers**, **investors**, **non-profit partners**, **and the communities** impacted by your operations.

Five-Step Approach to Stakeholder Engagement

Five-Step Approach to Stakeholder Engagement

Set vision and level of ambition for future engagement, and review past engagements

Define criteria for identifying and prioritizing stakeholders, and select engagement mechanisms

Focus on long-term goals to drive the approach, determine logistics for the engagement, and set the rules

Conduct the engagement itself, ensuring equitable stakeholder contributions and mitigating tension while remaining focused on priorities

Identify opportunities from feedback and determine actions, revisit goals, and plan next steps for follow-up and future engagement

Adopted from BSR

Step 1: Stakeholder engagement strategy

- **Disclaimer!** Kindly first understand what stakeholder engagement means for your business, your goals and level of ambition.
  - What is stakeholder engagement for our company?
  - What objectives are we trying to achieve with stakeholder engagement?
  - How far can we go with stakeholder engagement?
- Is there a business case for stakeholder engagement or it is just PR or a tick box exercise?
- **Disclaimer!** Stakeholders that choose to engage with companies generally expect this interaction to generate change, which is why it is a mistake to treat engagement as a one-way information-dissemination process, rather than as a dialogue.

Step 1: Business case for stakeholder engagement

- Financial Resilience – The value of many years of good stakeholder relations is often proven during times of crisis.
- Return on Equity – Better stakeholder relationships help companies develop such assets as customer or supplier loyalty, reduced employee turnover, and an improved reputation, all sources of competitive advantage and corporate value
- Valuation – Stakeholder perception has significant effects on corporate valuation. Analysis by McKinsey & Co. determined that 30 percent of corporate earnings are affected by the company's reputation with external stakeholders.
- Reduction in Costs – Poor stakeholder engagement can lead to a variety of direct and indirect costs to the company. Most frequent costs are linked to lost productivity from project delays or shutdowns

Stakeholder Theory

Step 1: Building a strategic vision

- Focus on where stakeholder engagement can have the biggest impact on your strategy and operations
- Define and lead cost-effective and impactful stakeholder engagement activities
- History – Learn from past experiences to assess your goals and clarify objectives
- Clarify the business case for engagement
- Understand and manage stakeholder expectations

- History of stakeholder engagement → Set strategic vision (Why engage?) → Who has a stake? → How to engage?

Step 1: Do's and Don'ts

- Do's
  - Link engagement strategy to business strategy.
  - Focus internally before externally (gain buy-in, find champions).
  - Learn from past experience, both successes and failures

- Don'ts
  - Decide on stakeholders before deciding on your objectives.
  - Jump directly to choosing an engagement format.
  - Ignore internal concerns

Step 2: Stakeholder mapping

- Who are your key stakeholders?
- Where they come from?
- What their relationship is to your business?

To be effective, this process should be informed by your overall strategic vision, as discussed above

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Stakeholder mapping is a collaborative process of research, analysis, debate, and discussion that draws from multiple perspectives to determine a key list of stakeholders across the entire stakeholder spectrum.

Step 2: Four phases of stakeholder mapping

IDENTIFY STAKEHOLDERS: List relevant groups, organizations, and people, and identify their focus areas.

ANALYZE: Analyze and rank stakeholder relevance

MAP: Visualize relationships to objectives and to other stakeholders.

SELECT ENGAGEMENT APPROACHES: Assign specific approaches to your stakeholders.

Adopted from BSR

Step 2: Identify stakeholders – long list

- Owners – (e.g., investors, shareholders, financiers)
- Customers – (e.g., direct customers, indirect customers.)
- Employees – (e.g., current employees, suppliers' employees, retirees, representatives, and dependents)
- Industry – (e.g., suppliers, competitors, industry associations, industry opinion leaders, and media)
- Community – (e.g., residents near company facilities, resident associations, schools, community organizations, and special interest groups)
- Government – (e.g., public authorities and local policymakers, regulators, and opinion leaders)
- Civil society organizations – (e.g., NGOs, faith-based organizations, labor unions, and general public)

Step 2: Analyze to short list

- Influence
- Expertise
- Orientation
- Vulnerability
- Capacity
- Trust

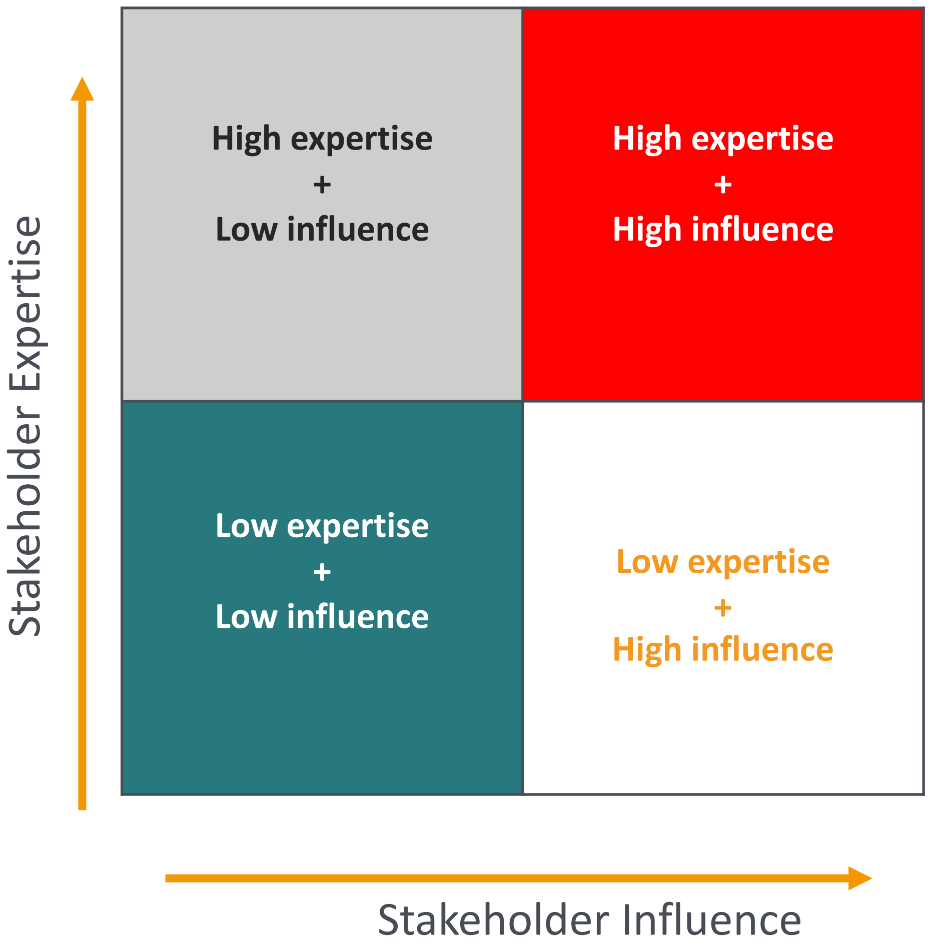
Step 2: Analyze to short list

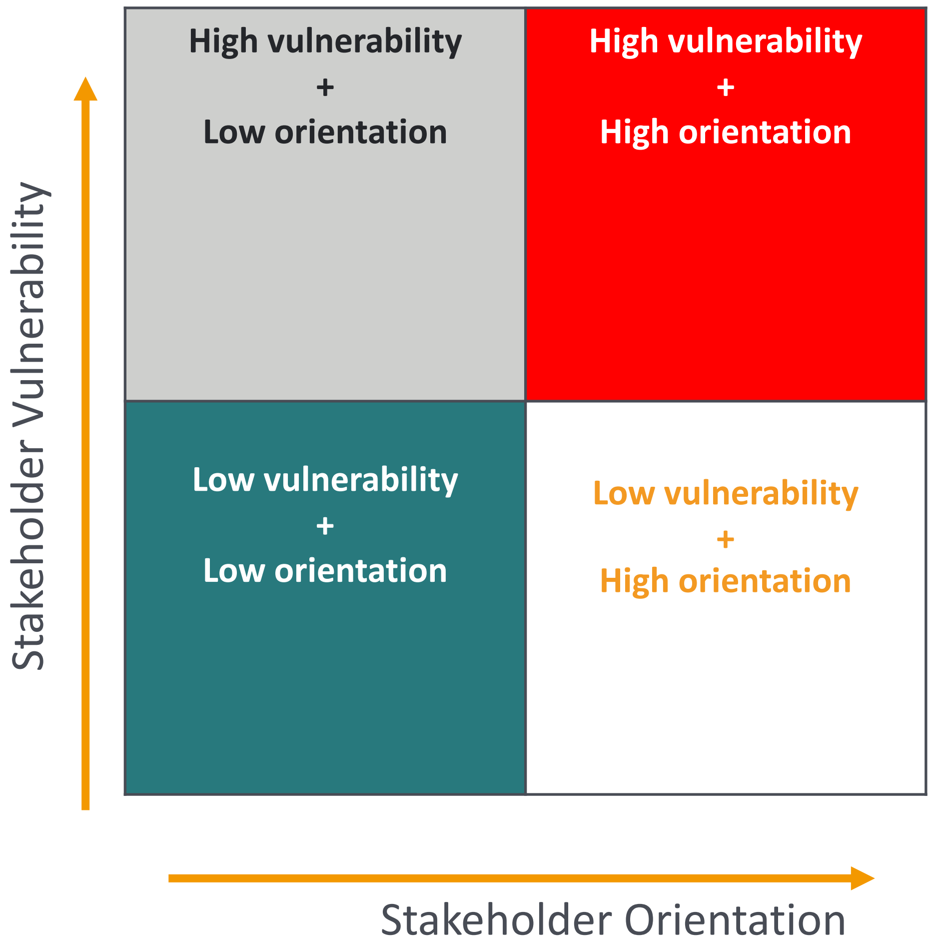
Stakeholder	Influence	Expertise	Orientation	Vulnerability	Capacity	Trust
A	**High:** Stakeholder is a key shaper of opinion in this field	**High:** Knowledge in the issue is of value to the company	**High:** Proactive group that is highly engaged with business	**High:** The company/ project will directly impact the lives of this group	**Low:** The group has few resources for engagement	**Low:** Mutual trust is low
B	**Medium**	**Medium**	**High**	**Medium**	**Medium**	**Low**
C	**Low**	**Low**	**Medium**	**Low**	**Medium**	**Medium**
D	**Low**	**Medium**	**Low**	**Medium**	**Medium**	**High**
E	**High**	**Medium**	**Low**	**High**	**High**	**Low**

Ranking – Low, Medium, High

Adopted from BSR

Step 2: Creating maps





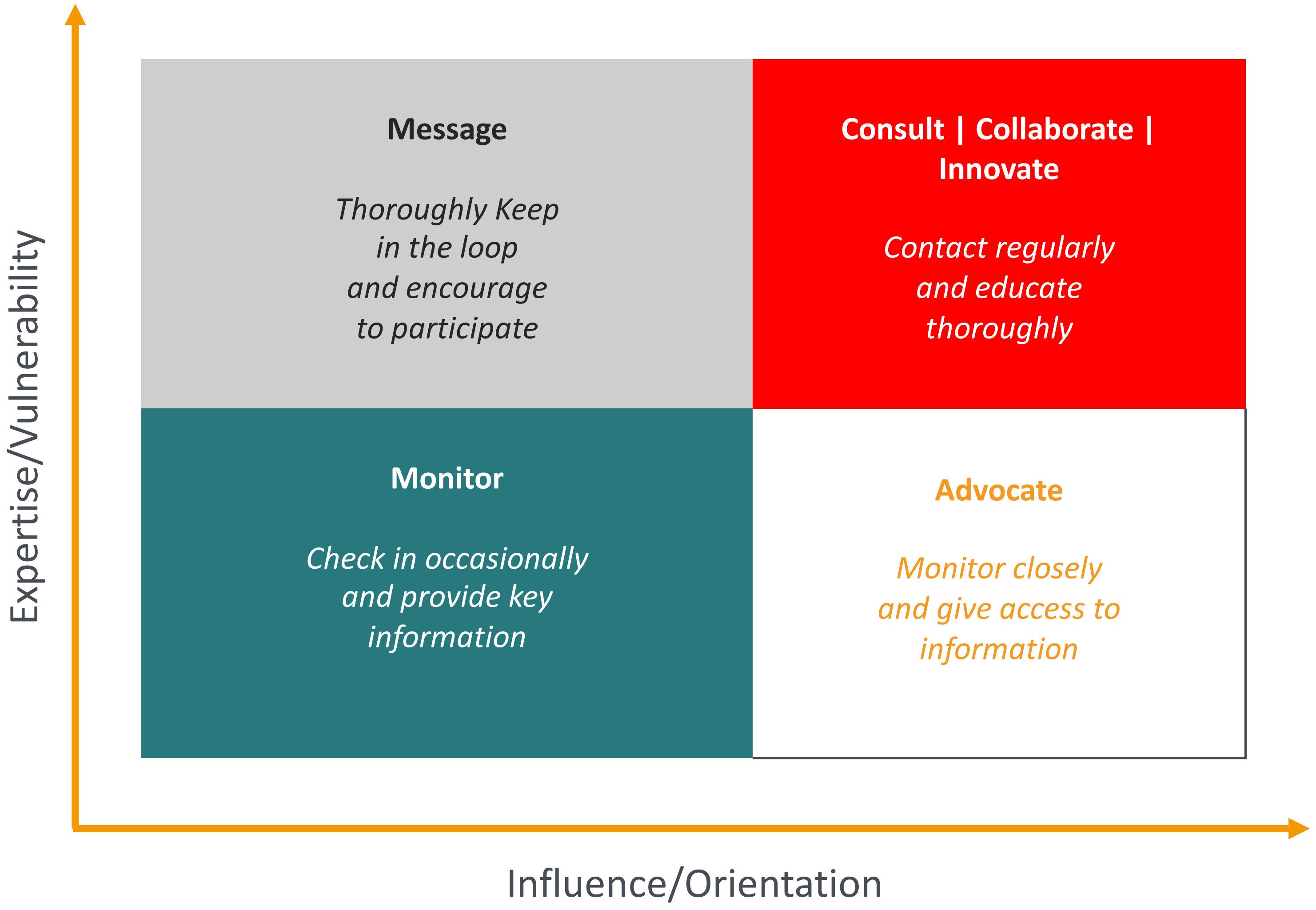
Step 2: Select engagement approaches

ENGAGEMENT APPROACH	OVERVIEW	EXAMPLE
MONITOR	Tracking or monitoring stakeholder positions via research or discussion with other parties.	For instance, track the sustainability issues of greatest concern to selected stakeholder groups to help inform a materiality process.
MESSAGE	Adapting communications scope and messaging to meet stakeholder expectations. Creating and targeting messages to specific stakeholders.	For instance, identify new issue areas that require positioning and disclosure.
ADVOCATE	Activities to enlist support for a specific effort or position that may have opposition or reflect an actual or perceived imbalance of power. Does not necessarily imply that the company will change its approach or direction.	For instance, clarify a company's position and policy on plastic waste in response to stakeholder criticism.

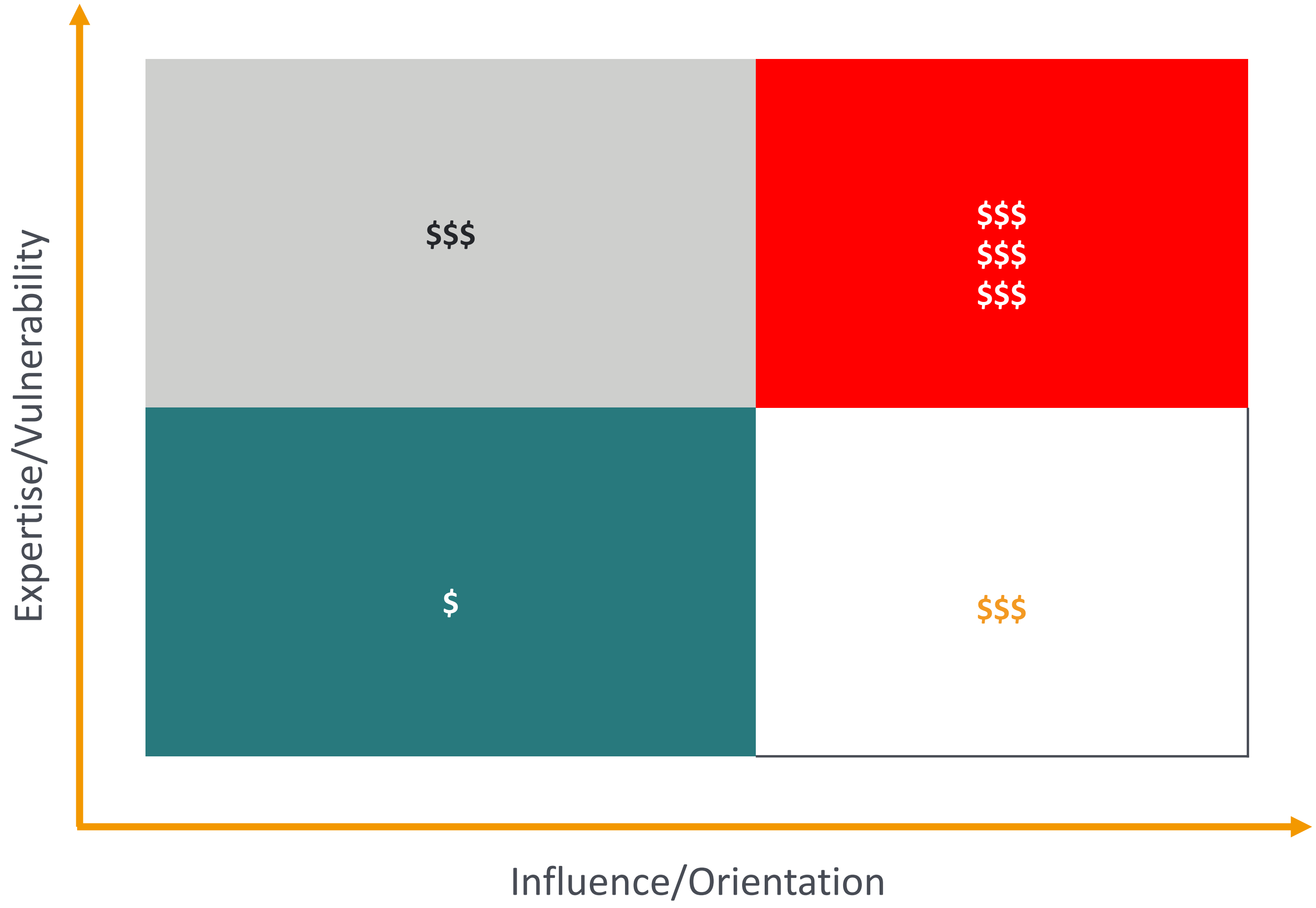
Step 2: Select engagement approaches

CONSULT	Soliciting explicit feedback or input on a project or plan. Implies an expectation by the stakeholders that the company will make concrete changes based on the consultation.	For instance, consult a stakeholder advisory board on policy or process changes regarding a company's approach to a particular issue.
COLLABORATE	Initiating or participating in two-way dialogue focused on mutual learning and solutions. Can include co-creation of new ideas and approaches.	For instance, consult with local community and political groups to determine the most mutually beneficial options for local social investment.
INNOVATE	Shared work on common objectives of the company and its stakeholders. Can include co-creation, as well as co-implementation, of new ideas.	For instance, launch a new product or service in partnership with expert stakeholders.

Step 2: Match maps to engagement approach



Step 2: Resource allocation - expertise, people, budget



Step 2: Checking mapping

- Is our list focused on relevant stakeholders who are important to our current and future efforts?
- Do we have a good understanding of where stakeholders are coming from, what they may want, whether they would be interested in engaging with our organization, and why?
- How can we further understand and qualify these stakeholders? Through discussions with internal colleagues? Reading reference reports? Analysing their public profile and opinions?
- Have we given thought to what type of resources (expertise, people, and budget) we need to support our engagement strategy and follow-up activities?

Step 3 & 4: Preparation and engagement

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Step 3 & 4: Preparation and engagement – core principles

- Focused – Expectations ought to be clear and realistic
- Timely – Perspectives can inform business outcomes that might affect them
- Representative – Diverse stakeholders
- Inclusive – includes vulnerable groups e.g. women, youth, disabled, etc
- Respectful – Listening as well as sharing (disclosure), and using an engagement approach that is culturally sensitive and accessible to all participants
- Candid – process of selecting participants should be transparent, and engagement notes, actions, and outcomes should be shared with participants

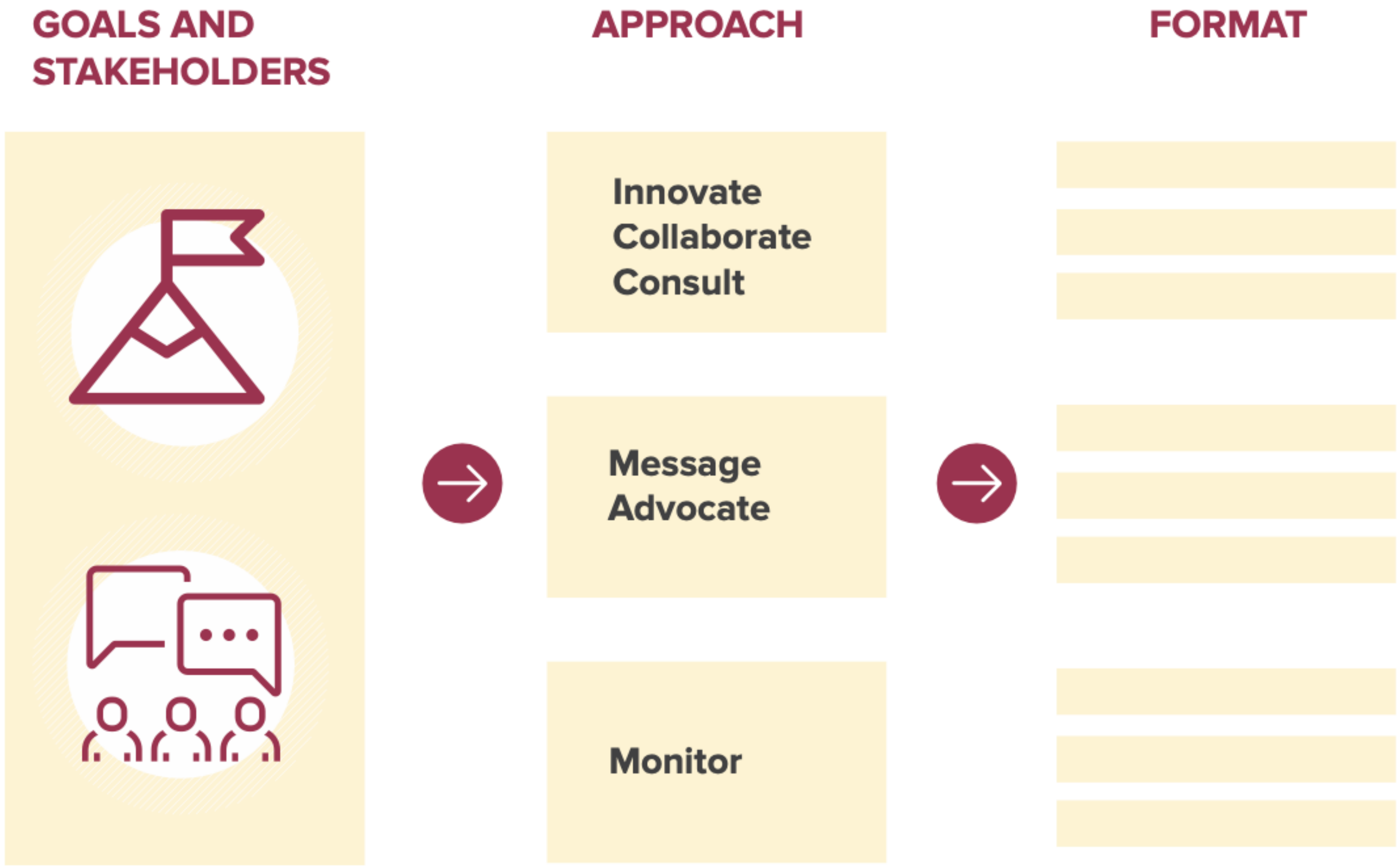
Step 3 & 4: Preparation and engagement – getting started

Your actions in the previous steps have all been designed to inform and improve the preparation process. You have:

- defined goals and strategic vision;
- mapped and prioritized your stakeholders, and
- selected engagement approaches.

Now you need to choose a format that matches your engagement approaches and level of ambition.

Step 3 & 4: Preparation and engagement – getting started



Step 3 & 4: Preparation and engagement – getting started

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APPROACH

Innovate
Collaborate
Consult

→

FORMAT

- Joint venture or partnership
- External advisory council
- Collaboration workshop
- Joint research
- Stakeholder engagement summit

Step 3 & 4: Preparation and engagement – getting started

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APPROACH

Message Advocate

→

FORMAT

- Sustainability report
- Survey
- Town hall meeting
- Mass email or newsletter
- Social media outreach
- Conference

Step 3 & 4: Preparation and engagement – getting started

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APPROACH

Monitor

FORMAT

- Marketing campaign and tracking
- Online and social media monitoring
- Subscription to stakeholder newsletter or blog

Step 3 & 4: Preparation and engagement – In-person factors

Match format to issue, stakeholder(s) and situation

- Familiarity — How well do you know the issue and the stakeholder(s) involved? What has the relationship been in the past? What research and pre-work has been done already?
- Frequency — Is this one meeting, multiple meetings, or an ongoing dialogue with no defined end?
- Guidance/Facilitation — Will the engagement be managed directly by the company representatives or facilitated by a third party?

Step 3 & 4: In-person engagement key factors

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Match format to issue, stakeholder(s) and situation

- Participant Profile — Does the engagement involve one representative, many from the same organizations, or representatives from many different organizations? Are these senior decision-makers, impacted or concerned citizens, potential plaintiffs, etc.?
- Complexity — Does the engagement involve one issue or multiple issues? What is the level of seriousness, potential impacts, etc.?
- Trust/Credibility — How much trust exists between the company and stakeholder(s)? What credibility does each have with the other?

Step 3 & 4: In-person engagement key factors

Match format to issue, stakeholder(s) and situation

If your chosen format is a verbal exchange with stakeholders, consider the pros and cons of various types of conversations. Decide which approach best matches your objectives, including online discussions, teleconferences, webinars, one-on-one meetings, or group meetings, forums, or events.

Step 3 & 4: Knowing the other

Consider how certain elements influence your intended engagement and might change the conversation.

- Authority
- Formality
- Atmosphere
- Facilitation
- Participation

Step 3 & 4: The engagement – one-off meetings

What you need to consider?

- Help stakeholders prepare
- Share stakeholder expectations
- Allow for equal contributions
- Focus the discussion
- Manage cultural dynamics
- Mitigate tension

Document the engagement – the original purpose and aims of the engagement the methods used; the participants; a summary of noted stakeholder concerns, expectations, and perceptions; a summary of discussions; and a robust list of outputs (decisions, actions, proposals, and recommendations).

Step 5: Action plan – Deeds not words

In this step, you develop an action plan whose key aim is to translate the findings, insights, and agreements from the engagement into deeds—and then communicate these actions to your stakeholders

- Refer back to your written engagement notes and consider the entire range of issues that came up during engagement.
- For each issue, prepare a response that explains the rationale behind your decision or next step—especially if your response is to take no action.
- For each potential next step, consider the concerns and perceptions stakeholders expressed during the engagement, as well as key discussion points.
- Each action should define roles and responsibilities for implementation, along with milestones and a realistic timeline for completion. Before issuing the plan, be sure to consult with those responsible for executing each action.

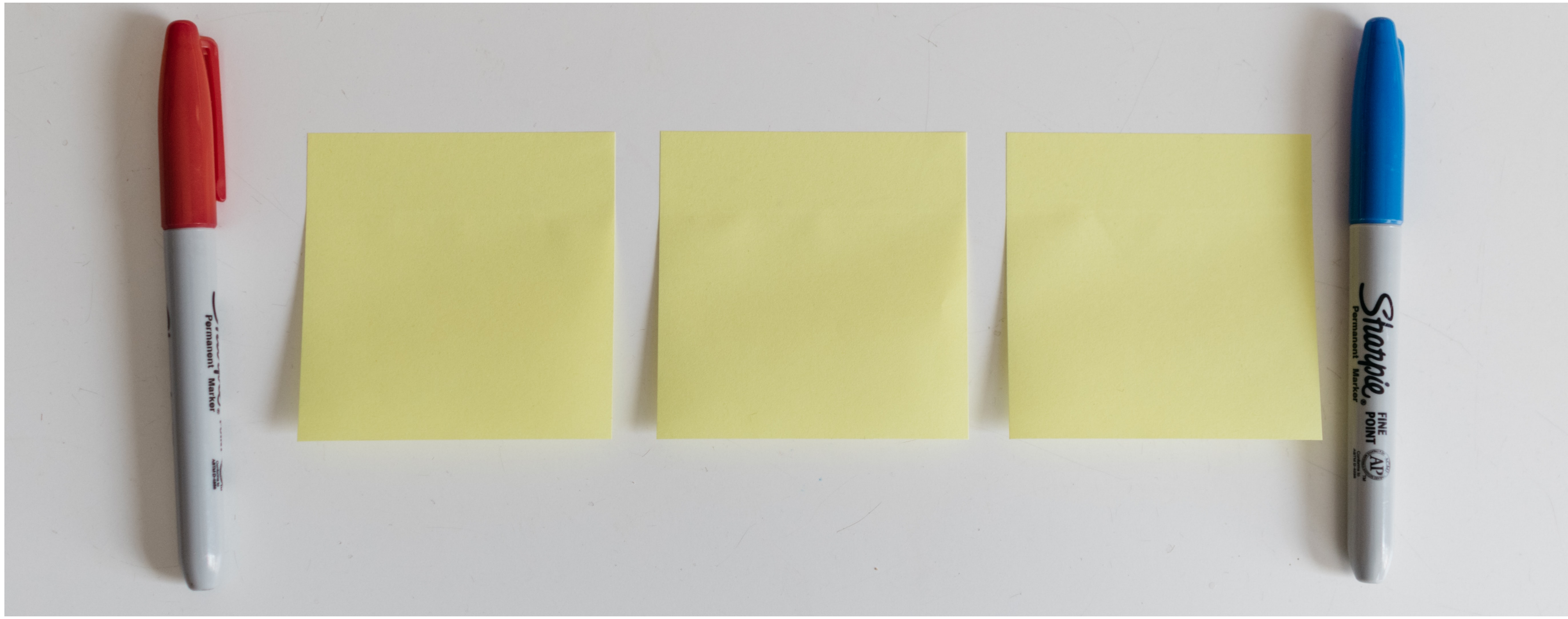
Step 5: Action plan – Deeds not words

- Send It Out and Follow Up – Your action plan should also serve as a progress report on goals and objectives, helping inform your engagement strategy.
- Considerations for Ongoing Engagement
  - Anticipate and plan
  - Develop a clear mandate
  - Payment – Honoraria/travel costs
  - Confidentiality and disclosure
  - Effectiveness
- Avoid common pitfalls
  - Keep your word
  - Manage expectations

Grievance Redress Mechanism

Plenary Discussion – Grievance Types

What are some of the grievances that your business is likely to meet/ is encountering in its operations? How do you handle them?



GRM Capacity Building Agenda

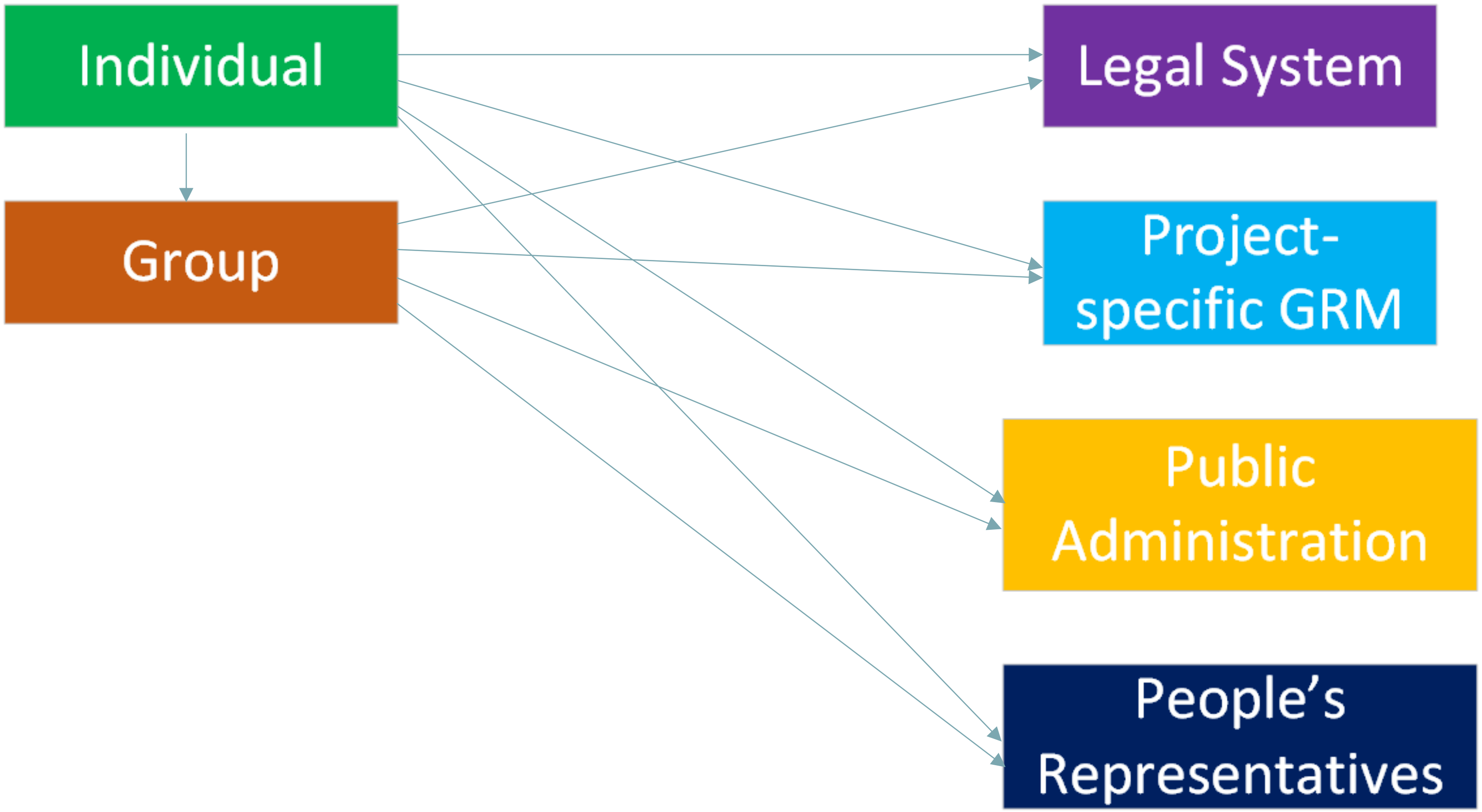
Contents

Situating a GRM – What is a GRM?

"Grievance redress mechanisms (GRMs) are institutions, instruments, methods, and processes by which a resolution to a grievance is sought and provided."

Centre for Poverty Analysis (CEPA)

Systems/Institutions for Grievance Redress



Situating a GRM – Rationale

- A GRM provides a predictable, transparent, and credible process to all parties, resulting in outcomes that are seen as fair, effective, and lasting.
- Benefits of GRM to Stakeholders
  - Provides a cost-effective method to report their grievances and complaints
  - Establishes a forum and a structure to report their grievances with dignity, and access to a fair hearing and remedy
  - Provides access to negotiate and influence decisions and policies of the project that might adversely affect them
  - Facilitates access to information

Situating a GRM – Benefits

- Provides information about project implementation
- Provides an avenue to comply with government policies
- Provides a forum for resolving grievances and disputes at the lowest level
- Resolves disputes relatively quickly before they escalate to an unmanageable level
- Facilitates effective communication between the project/company and affected persons
- Helps win the trust and confidence of community members in the project and creates productive relationships between the parties

Situating a GRM – Benefits

- Ensures equitable and fair distribution of benefits, costs, and risks
- Mitigates or prevents adverse impacts of the project on communities and produces appropriate corrective or preventive action
- Helps avoid project delays and cost increases, and improves quality of work

Situating a GRM – Characteristics of a Good GRM

- Is known to the public and other stakeholders
- Has a systematic way of recording and monitoring the progress or resolution of issues
- Is accessible to all stakeholders irrespective of their economic status, literacy level, ethnicity, caste, religion, gender, disabilities, geographical location, etc.
- Includes participation, representation, and consultation of stakeholders in its design, planning, and operational processes
- Provides security (both physical and psychological) for stakeholders to participate without fear of intimidation or retribution

Situating a GRM – Characteristics of a Good GRM

- Has respect for the dignity and self-esteem of APs and an empathetic relationship towards Aps
- Provides equitable access for APs to information, advice, and expertise
- Has different levels to allow for appeals
- Has a reasonable time frame that prevents grievances from dragging on unresolved
- Evidences social and cultural appropriateness of the systems, approaches, and methods adopted
- Possesses values, attitudes, and commitment to fairness and justice

Situating a GRM – Characteristics of a Good GRM

- Shows transparency, accountability, and objectivity in conducting grievance redress processes and realizing their outcomes
- Is independent and has a clear governance structure with no external interference with the conduct of grievance redress processes and reaching agreements
- Shows clarity in procedures, processes, and time frames adopted
- Has flexibility in decision-making processes, taking into account the unique and diverse character of grievances
- Is in compliance with existing systems without undermining them

Situating a GRM – Grievance Prevention

- Grievances cannot be avoided entirely, but much can be done to reduce them to manageable numbers and reduce their impacts. Implementors should be aware and accept that grievances do occur, that dealing with them is part of the work, and that they should be considered in a work plan. Implementors should do the following:
  - Provide sufficient and timely information to stakeholders (e.g. employees, communities, etc);
  - Conduct meaningful stakeholder consultations; and
  - Build capacity for project staff, particularly community facilitators and other field-level staff.

Designing a GRM – Set goals, objectives and scope

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- A GRM should have a clear set of goals and objectives and a well-defined scope for its interventions:
  - *Goal*—should respond to the question, "Why do we wish to establish a GRM?”
  - *Objective/Purpose*—should respond to the question, "What do we expect to achieve from a GRM in the short term and the long term?”
  - *Scope*—should respond to the question, "What are the issues to be addressed by the GRM?"
- It is recommended that the GRM closest to the affected persons (APs) respond to a wide scope of issues so that many APs can approach it easily with their diverse concerns.

Designing a GRM – Anticipate types of grievances

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- Early identification and understanding of the types of grievances that are likely to be raised by persons affected by a project are prerequisites for designing and planning a GRM. Some of the relevant questions to be included are as follows:
  - How are APs (different groups and subgroups) likely to express their grievances?
  - Which institutions do they approach or are they comfortable with to find redress?
  - What may prevent certain groups (especially vulnerable ones) from raising their grievances or concerns?
  - What kind of relationship (actual or perceived) do the APs have with project executing agencies?
  - What kind of redress do they expect for their grievances?

Designing a GRM – Provide structure

- A GRM should have a clear structure that explicitly spells out how it functions: the roles and responsibilities assigned to its different units and personnel and the agents responsible for handling different aspects of the grievance resolution process such as receiving, recording, and sorting complaints; conducting assessments and resolution processes; coordination; and monitoring.
- A GRM should also fit into the existing national system to make sure it does not duplicate functions.

Designing a GRM – Establish procedures and timeframes

- A set of procedures for receiving, recording, and handling complaints should be available in the GRM. They should include procedures for recording, registering, and sorting grievances;
  - conducting an initial assessment of grievances;
  - referring grievances to appropriate units or persons;
  - determining the resolution process;
  - making decisions, including parameters and standards for accurate and consistent decision making;
  - directing relevant agencies responsible for implementing decisions;
  - notifying complainants and other affected parties of eligibility, the resolution process, and outcomes; and
  - tracking, monitoring, documentation, and evaluation.

Designing a GRM – Appoint members

- Generally, all project staff, management staff involved in the project, and government administrators will take on grievance handling as a responsibility.
- The GRM members should be qualified, experienced, and competent personnel who can win the respect and confidence of the affected communities. It is also important to maintain a gender balance within the GRMs. Criteria for selecting members of GRMs could include the following:
  - knowledge of the project/company, its objectives, and outcomes;
  - technical knowledge and expertise, e.g., engineering, legal; understanding of the social, economic, and culture and the dynamics of the communities;
  - capacity to absorb the issues dealt with and to contribute actively to decision-making processes; and
  - social recognition and standing.

Designing a GRM – Provide resources

- A GRM should have a realistic budget that will sufficiently cover the costs of its operations such as staffing, awareness campaigns, capacity-building training, infrastructure and support services, field inspections, meetings, documentation, and supplies.
- In some countries, GRM budgets are built into the monitoring and evaluation or outreach and communications budgets of the project implementing agencies.

Implementing a GRM – Setting up institutions

- The company code of ethics and Human Resources (HR) Manual defines the institutions that should be set up to deal with different types of grievances;
- Resettlement projects – The Resettlement Plan defines the institutions that should be set up
- The Environmental Management Plan defines how and by whom environmental impacts are monitored.
- These institutions should have different levels, so that complainants can move to a higher level if they are not satisfied with the grievance redress suggested or provided, and they should be designed to provide appropriate responses to specific types of grievances.

Implementing a GRM – Build capacity (Very important)

- The capacity to handle grievances effectively is an essential aspect of a good GRM.
- Capacity refers not only to providing training for and building the skills of the GRM implementors, but also to a range of other capabilities for which a mechanism should be set in place to facilitate and promote effective service delivery. The overall capabilities of a GRM include:
  - the general orientation of the GRM and its approaches to dealing with stakeholders, e.g., whether the GRM is perceived as a complaint-handling/problem-solving mechanism for Stakeholders or for receiving feedback from customers on both positive and negative aspects of the project to improve its overall performance;

Implementing a GRM – Build capacity (Very important)

- knowledge of the GRM about the (a) historical, political, and social context; (b) perceptions and facts about the project situation and APs; and (c) systems, organizations, procedures, and processes involved;
- organizational support for grievance handling, which encompasses mapping, communication, and coordination among different GRMs; conducting research; providing administrative support and relevant documentation to GRM staff; and having an effective public communication strategy;
- essential skills for dealing with grievances; and
- credibility of the GRMs and its officers.

Implementing a GRM – Create awareness

- GRMs should be widely publicized among stakeholder groups such as the affected communities, government agencies, and civil society organizations. An effective awareness campaign launched to give publicity to the roles and functions of the GRMs should include the following components:
  - scope of the project, planned construction phases, etc.;
  - types of GRMs available;
  - purposes for which the different GRMs can be accessed, e.g., construction-related grievances, land acquisition and compensation-related grievances;
  - types of grievances not acceptable to the GRMs;
  - who can access the GRMs;

Implementing a GRM – Create awareness

- GRMs should be widely publicized among stakeholder groups such as the affected communities, government agencies, and civil society organizations. An effective awareness campaign launched to give publicity to the roles and functions of the GRMs should include the following components:
  - how complaints can be reported to those GRMs and to whom, e.g., phone, postal and email addresses, and websites of the GRMs as well as information that should be included in a complaint;
  - procedures and time frames for initiating and concluding the grievance redress process;
  - boundaries and limits of GRMs in handling grievances; and
  - roles of different agencies such as project implementors and funding agencies.

Implementing a GRM – Communication methods

- Display of posters in public places such as in government offices, project offices, community centres, etc.;
- Distribution of brochures;
- Village-level government officers to hold small-group discussions;
- Community-based organizations;
- Internal memo; and
- Print and electronic media, including radio.

Implementing a GRM – Implementing Steps

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The process of implementing a GRM involves the following 10 steps:

1. Assign focal points
2. Receive and register complaints
3. Screen and refer the complaints
4. Coordinate with other GRMs
5. Assess the complaint
6. Formulate a response
7. Select a resolution approach
8. Implement the approach
9. Settle the issues
10. Track, document, and evaluate the process and results

Thank you!
Any questions?

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