

CEPF Best Practice on Stakeholder Engagement

21 May 2015

1. CEPF's best practice on stakeholder engagement is based on the CI-GEF Project Agency's Environmental and Social Management Framework, which is, in turn, based on the International Finance Corporation's Good Practice Handbook for Companies Doing Business in Emerging Markets. It is applicable to all CEPF-funded projects.
2. Stakeholder engagement is a fundamental principle of good project design, and best practice consists of involving all stakeholders, including indigenous and local communities and other project-affected people, as well as government, private sector and civil society partners, as early as possible in the preparation process and ensuring that their views and concerns are made known and taken into account.
3. The CEPF Secretariat will ensure that all CEPF-funded projects comply with this best practice. In the case of large grants, this will mean working directly with applicants and grantees. In the case of small grants, this will mean providing training and oversight to Regional Implementation Teams (RITs), to ensure that they are providing appropriate guidance to applicants and grantees.
4. Organizations applying for CEPF grants are expected to identify the range of stakeholders that may be interested in their actions and consider how external communications might facilitate a dialogue with all stakeholders during design and, later, implementation of the project. Stakeholders should be informed and provided with information regarding project activities.
5. Applicants will be required to submit a Letter of Inquiry (LoI), describing the proposed project in outline. In the LoI, applicants will be explicitly requested to identify project partners and stakeholders, and to summarize the involvement of each in the project.
6. Applicants for large grants that pass the LoI stage will be required to submit a full proposal, describing their proposed project in detail. In the full proposal, applicants will be asked to describe, for each identified stakeholder, any relevant consultations they have had or partnership agreements have made with regard to the project.
7. These consultations are expected to take place during the project design phase, either before or after submission of the LoI, or both. In cases where applicants are unable to consult with all stakeholders during the project design phase (for instance, due to remoteness), these consultations may be incorporated into project design, as an activity during the first year of implementation.
8. Where no adverse social or environmental impacts to local or indigenous communities can reasonably be expected, no further documentation is required. The approved project proposal will function as the Stakeholder Engagement Plan, and the grantee will be expected to continue to communicate with stakeholders for the duration of the project.

9. Where projects involve activities that are likely to generate adverse social or environmental impacts to local or indigenous communities, the applicant will identify the Affected Communities in the full proposal, and develop and implement a Stakeholder Engagement Plan (see template below).

10. The Stakeholder Engagement Plan should be scaled to the project risks and impacts, and be tailored to the characteristics and interests of the Affected Communities. The plan must also incorporate the key principles of CEPF's Gender Mainstreaming Policy.

11. Where applicable, the Stakeholder Engagement Plan will include differentiated measures to allow the effective participation of those identified as disadvantaged or vulnerable. When the stakeholder engagement process depends substantially on community representatives (e.g., village leaders, local elected representatives, etc.), the applicant will make every reasonable effort to verify that such persons do in fact represent the views of Affected Communities and that they can be relied upon to faithfully communicate the results of consultations to their constituents.

12. In cases where the exact location of the project is not known at the project design stage, but the project can reasonably be expected to have significant impacts on local or indigenous communities, the applicant will prepare a Stakeholder Engagement Framework, as an annex to the full proposal, outlining general principles and a strategy to identify Affected Communities and other relevant stakeholders and plan for an engagement process.

13. Where the project also triggers another safeguard policy (e.g., Indigenous People, involuntary resettlement, pest management, etc.), it may not be necessary to develop a stand-alone Stakeholder Engagement Plan. Rather, the Stakeholder Engagement Plan can be incorporated into the safeguard documentation required by that policy (i.e., Social Assessment, Indigenous Peoples Plan, Process Framework, Pest Management Plan, etc.), to ensure integration and avoid duplication.

14. The CEPF Secretariat will review and approve all Stakeholder Engagement Plans for large grants, prior to disclosure on the CEPF website. The relevant RIT will perform this function for small grants.

15. Once a Stakeholder Engagement Plan has been approved, it is recommended that stakeholder engagement continue throughout the life of the project. The nature, frequency and level of effort of stakeholder engagement may vary considerably and will be commensurate with the project's risks and adverse impacts, and the project's phase of implementation.

Stakeholder Engagement Plan Template

1. The CEPF Secretariat will ensure that all CEPF-funded projects comply with the Best Practice on Stakeholder Engagement, by involving all stakeholders, including project-affected groups, indigenous peoples, and local civil society organizations, as early as possible in the design process and ensuring that their views and concerns are made known and taken into account. The CEPF Secretariat will also ensure that grantees will continue to hold consultations with stakeholders throughout project implementation, as deemed necessary to address social and environmental issues that affect them.

2. Grantees are responsible for drafting and executing the Stakeholder Engagement Plan. The CEPF Secretariat and its RITs will review the plan and oversee its execution.

3. Benefits of stakeholder engagement include:

a) Letting interested and affected parties participate in decision-making to give them more control and security;

b) Sharing information and facilitating understanding;

c) Building legitimacy and support for decisions;

d) Fostering constructive working relationships among stakeholders;

e) Building consensus and generating support for the project;

f) Reducing conflict;

g) Tapping into the local, specialist knowledge of stakeholders to inform assessment and design; and

h) Improving the end decision and aiding sustainability.

4. A Stakeholder Engagement Plan should:

a) Describe CEPF requirements for consultation and disclosure;

b) Identify and prioritize key stakeholder groups;

c) Provide a strategy and timetable for sharing information and consulting with each of these groups;

d) Describe resources and responsibilities for implementing stakeholder engagement activities;

e) Describe how stakeholder engagement will be incorporated into project design; and

f) Have of a scope and level of detail that is scaled to fit the needs of the project.

5. A Stakeholder Engagement Plan should contain the following sections:

a) *Introduction*: Briefly describe the project including design elements and potential social and environmental issues. Where possible, include maps of the project site and surrounding area.

b) *Policies and Requirements*: Summarize any requirements by CEPF pertaining to stakeholder engagement applicable to the project. This may involve public consultation and disclosure requirements related to other social and environmental safeguards.

c) *Summary of Previous Stakeholder Engagement Activities*: If the grantee has undertaken any activities to date, including information disclosure and/or consultation, provide the following details:

- Type of information disclosed, in what form (e.g., oral, brochure, reports, posters, radio, etc.), and how it was disseminated;
- The locations and dates of any meetings undertaken to date;
- Individuals, groups, and/or organizations that have been consulted;
- Key issues discussed and key concerns raised;
- Grantee response to issues raised, including any commitments or follow-up actions; and
- Process undertaken for documenting these activities and reporting back to stakeholders.

d) *Project Stakeholders*: List the key stakeholder groups who will be informed and consulted about the project. These should include persons or groups who:

- Are directly and/or indirectly affected by the project or have “interests” in the project that determine them as stakeholders; and
- Have the potential to influence project outcomes (examples of potential stakeholders are affected communities, local organizations, non-governmental organizations (NGOs) and government authorities. Stakeholders can also include politicians, companies, labor unions, academics, religious groups, national social and environmental public sector agencies, and the media).

e) *Stakeholder Engagement Program*: Summarize the purpose and goals of the program. Briefly describe what information will be disclosed, in what formats, and the types of methods that will be used to communicate this information to each of the identified groups of stakeholders. Methods used may vary according to target audience, for example:

- Newspapers, posters, radio, television;
- Information centers and exhibitions or other visual displays; and
- Brochures, leaflets, posters, non-technical summary documents and reports.

f) *Consultation methods*: Description of the methods that will be used to consult with each of the stakeholder groups identified in previous sections. Methods used may vary according to target audience, for example:

- Interviews with stakeholder representatives and key informants;
- Surveys, polls, and questionnaires;
- Public meetings, workshops, and/or focus groups with a specific group;
- Participatory methods; and
- Other traditional mechanisms for consultation and decision-making.

g) *Other Engagement Activities*: Description of any other engagement activities that will be undertaken, including participatory processes, joint decision-making, and/or partnerships undertaken with local communities, NGOs, or other project stakeholders. Examples include benefit-sharing programs, community development initiatives, resettlement and development programs, and/or training and microfinance programs.

h) *Timetable*: Provide a schedule outlining dates and locations when various stakeholder engagement activities, including consultation, disclosure, and partnerships will take place and the date by which such activities will be incorporated into project design.

i) *Resources and Responsibilities*: Indicate what staff and resources will be devoted to managing and implementing the Stakeholder Engagement Plan. Who within the project team will be responsible for carrying out these activities? What budget has been allocated toward these activities?

j) *Grievance Mechanism*: Describe the process by which people affected by the project can bring their grievances to the grantee for consideration and redress. Who will receive public grievances? How and by whom will they be resolved? How will the response be communicated back to the complainant? Please note that all grievance mechanisms must make available the contact details of the RIT and/or CEPF Secretariat, in case people affected by the project have concerns that they do not wish to raise directly with the grantee.

k) *Monitoring and Reporting*: Describe any plans to involve project stakeholders (including affected communities) or third-party monitors in the monitoring of project impacts and mitigation programs. Describe how and when the results of stakeholder engagement activities will be reported back to affected stakeholders as well as broader stakeholder groups.