



**Development  
Bank of Namibia**

Expect more.

**DBN PS10-STAKEHOLDER  
ENGAGEMENT  
STANDARD**

## Contents

a) Version Control.....	2
2. BACKGROUND .....	4
3. SCOPE .....	5
4. INTENT .....	5
5. PLANNING .....	6
6. IMPLEMENTATION AND OPERATION.....	7
7. PERFORMANCE MANAGEMENT .....	12
8. REVIEW .....	12
9. GENERAL REFERENCES FOR STANDARD METHODS.....	13
10. BOARD APPROVAL OF STANDARD .....	14

**a) Version Control**

The table below serves to track the key revisions made to this document for change control purposes.

<b>Date</b>	<b>Version</b>	<b>Change Description</b>	<b>Author/Editor</b>
08/02/2016	0.01	Initial Draft for first review	Manager: Environment & Social Development
24/04/2016	0.02	Initial Review	Head: Risk and Compliance –John Jacobs
23/05/2016	0.03	2 <sup>nd</sup> Review	Risk and Compliance Committee
23/05/2016	0.04	Departmental Review	Audit Risk and Compliance
10/10/2016	0.05	Second Review	Senior Manager: Risk and Compliance –Saima Nimengobe
07/11/2016	1.00	DBN Board Approval	Chairperson: DBN Board of Directors
10/01/2019	2.00	Change logo on first page	Manager: Environment & Social Development

## 1. DEFINITIONS, TERMS & ABBREVIATIONS

Broad community support	A collection of expressions by the affected communities, through individuals and their legitimate representatives, in support of the project. There may be broad community support even if some individuals or groups object to the project.
DBN	Development Bank of Namibia
ESMS	Environmental, and Social Management System
ESMP	Environmental and Social Management Plan
Free, prior and informed engagement (FPIE)	<p>defines a practice of public consultation and participation that is:</p> <ul style="list-style-type: none"> <li>• free from external manipulation, interference, or coercion, and intimidation;</li> <li>• based on prior disclosure and dissemination of information;</li> <li>• undertaken on an informed basis with information that is relevant, transparent, objective,</li> <li>• meaningful, and easily accessible in culturally appropriate local language(s), and format that is understandable to the affected individuals and communities;</li> <li>• takes into account and is responsive to the needs, rights and interests of both women and men, if necessary through separate forums and engagements; and,</li> <li>• includes targeted capacity building and/or other assistance as necessary to empower impacted individuals and communities, in particular those who are vulnerable and marginalised, to fully and effectively participate in engagement and consultation processes.</li> </ul>
Free, prior and informed consent (FPIC)	Should not be confused with the aforementioned practice of free, prior, informed engagement. FPIC is a specific right for indigenous peoples as recognised in the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) <sup>61</sup> and ILO Convention 169/1989. <sup>62</sup> It is triggered by specific circumstances and strictly defined project impacts.
A Grievance Mechanism	Constitutes the system introduced by the promoter that affords all stakeholders, in particular impacted individuals and communities, the ability to provide feedback, channel their concerns and, thereby, access information and, where relevant, seek recourse and remedy. Such mechanism ought to be effective, by way of being verifiably legitimate; accessible; predictable; equitable; transparent; compatible with human rights; based on engagement and dialogue; and, a source of learning for all stakeholders involved, including the promoter.

	The scope of such a mechanism concerns the entire operation, yet it is not intended to serve employer-workforce relations, as a separate grievance structure is exclusively dedicated to this purpose.
Stakeholders	Those who will be or are likely to be directly or indirectly affected, positively or negatively, by a project (commonly referred to as project-affected people or project-affected communities), as well as those who might have an interest in, or may influence, the project.
A Stakeholder Engagement Plan (SEP)	Is intended as a blueprint that outlines a project's stakeholder engagement strategy and guides its roll-out. As a rule, it describes the regulatory and/or promoter's requirements for consultation and disclosure; identifies and prioritises key stakeholder groups; provides a strategy and timetable for sharing information and engaging and consulting with each of these groups; Describes resources and responsibilities for implementing stakeholder engagement activities; and, describes how stakeholder engagement activities will be incorporated into the promoter's environmental and social management system (ESMS). The same Plan also establishes firm references and links to the operation's grievance mechanism. The scope and level of detail of the plan should be scaled to fit the needs of the project.

## 2. BACKGROUND

The International Finance Corporation (IFC) Performance Standards are an international benchmark for identifying and managing environmental and social risk and has been adopted by many organizations as a key component of their environmental and social risk management.

IFC's Environmental, Health, and Safety (EHS) Guidelines provide technical guidelines with general and industry-specific examples of good international industry practice to meet IFC's Performance Standards.

In many countries, the scope and intent of the IFC Performance Standards is addressed or partially addressed in the country's environmental and social regulatory framework.

A meaningful engagement process allows for the efficient implementation of a financed operation and, in particular, the early and effective identification, assessment, and management of any environmental, occupational health and safety and social risks, impacts, and opportunities. The views, interests, and concerns of project affected communities and other interested stakeholders are heard, understood, and taken into account throughout a projects lifecycle.

This standard outlines a systematic approach to stakeholder engagement that the promoter is expected to build and maintain by way of a constructive relationship with relevant stakeholders.

Stakeholder engagement is an inclusive and interactive process that involves, in varying degrees, stakeholder analysis and engagement planning, timely disclosure and dissemination of/access to information, public consultations and stakeholder participation, and a mechanism ensuring access to grievance and remedy.

In assessing a projects compliance with the Standard, promoters should expect general conformance to this Standard unless the project can demonstrate that it meets the intent of the Standard by an alternative approach.

### **3. SCOPE**

The nature and extent of stakeholder engagement will reflect the nature and complexity of the project and its stakeholders, the project risks and potential adverse impacts on individuals, communities and other impacted stakeholders, and the sector. Stakeholder engagement processes will therefore vary across projects and different financing instruments.

Beyond any single operation financed by the DBN, stakeholder engagement is recommended as a good and necessary practice for promoter to adopt more generally.

In addition to this Standard's contents, as set out below, requirements on information dissemination and public consultation are raised in No 30 Environmental impact assessment regulations of 2012 made under the environmental management act, No 7 of 2007 to be duly cross-referenced with the present Standard.

### **4. INTENT**

The intent of this standard is to ensure the DBN's expectation that promoters uphold an open, transparent and accountable dialogue with all relevant stakeholders at the local level targeted by its operations. This standard stresses the value of public participation in the decision-making process throughout the preparation, implementation and monitoring phases of a project.

Specific objectives arising therefrom for the promoter extent to:

- Establish and maintain a constructive dialogue between the promoter, the affected communities and other interested parties throughout the project life cycle;
- Ensure that all stakeholders are properly identified and engaged;
- Engage stakeholders in the disclosure process, engagement and consultations in an appropriate and effective manner throughout the project lifecycle, in line with the principles of public participation, non-discrimination and transparency;
- Ensure that the relevant stakeholders, including commonly marginalised groups on account of gender, poverty, educational profile and other elements of social vulnerability, are given equal opportunity and possibility to voice their opinions and concerns, and that these are accounted for in the project decision-making; and,

- Duly verify and assess that the quality and process of engagement undertaken by third parties on the project conform to the provisions included in the present standard.

## 5. PLANNING

- 5.1. The 1992 Rio Declaration on Environment and Development and the 2002 Johannesburg Declaration on Sustainable Development recall the right to access to information and public participation within the context of sustainable development.
- 5.2. Stakeholder engagement will be planned for and carried out by the promoter or their consultants without discrimination, taking into account differences in risk exposure and the increased sensitivity and reduced resilience of vulnerable groups.
- 5.3. Stakeholder engagement, including disclosure and dissemination of information, will be planned for and carried out in line with the principles of prior, informed and free engagement and informed participation, in order to lead to broad community support by the affected communities and longer-term sustainability of the project's activities.
- 5.4. In the event that broad community support is not attained, the promoter is expected to dedicate all necessary resources and time to additional community engagement and public consultation initiatives, as is required.
- 5.5. Stakeholders' inputs will be documented and carefully considered throughout the project preparation and implementation phases.
- 5.6. Effective and meaningful engagement and consultation is a two way process to be guided by the following general principles:
  - be initiated by the promoter or their consultants early in the process of identification of environmental and social risks and potential adverse impacts and continue throughout the project life cycle as risks and impacts arise;
  - be inclusive of the affected communities, and accessible to any vulnerable groups within, and differentiated by various segments;
  - be inclusive, beyond the affected parties, of any groups or individuals who have been identified as other interested parties; and,
  - be adequately documented both in substance and process
- 5.7. Factors such as literacy, unequal gender relations and access to dissemination media constitute factors to be carefully considered by the promoter when pursuing an effective disclosure and information dissemination campaign.
- 5.8. The promoter or their consultants will be comprehensive in identifying and prioritising all project stakeholders in the given context, especially those who may be differentially or disproportionately affected by the project because of their vulnerable status.

- 5.9. Mapping the different types of stakeholders creates the basis for identifying the people who have human rights entitlements related to a project, as well as for identifying the entities accountable for these entitlements.
- 5.10. It is also a valuable exercise for distinguishing between rights and interests in an operation and ensuring respect for the former, given they constitute a primary responsibility for public and private sector promoters alike.
- 5.11. Stakeholder analysis needs to clearly identify and differentiate between the different types of stakeholders, including consideration of their rights, roles, duties and responsibilities in the given context, outlining rights-holders and duty-bearers. Such analysis will help identify all impacted individuals and communities (right bearers) and the rights which they hold and may be threatened or interfered with in an operation. Government agencies, promoter and other parties (e.g. suppliers and contractors), as duty bearers, have the obligation and responsibility to ensure that these rights are upheld.
- 5.12. Particular attention will be placed upon the identification of vulnerable individuals and groups in the given project context and their meaningful engagement in consultation processes.
- 5.13. Drawing on independent experts and legitimate representatives can be particularly important in those contexts where rights-holders have limited capacity to represent their own views or may be restrained in doing so by contextual factors (e.g. post-conflict societal tensions, exclusion of certain groups from mainstream political life).
- 5.14. In those cases, assessment of the representation of communities and groups is essential, particularly in terms of verifying whether the representatives engaged by the promoter faithfully and legitimately represent views of rights-holders concerned.

## **6. IMPLEMENTATION AND OPERATION**

- 6.1. Stakeholder identification and analysis is a critical element in the stakeholder engagement process and the elaboration of relevant activities and measures that will take characteristics and interests of stakeholders into account. Failure to identify all relevant stakeholders can aggravate existing issues and subsequently jeopardise project objectives.
- 6.2. Stakeholder engagement should be built into an operation's planning in a way that enables a meaningful information exchange with all identified stakeholder groups at the very outset of the project and at subsequent key decision-making points in its life cycle. Adequate budgetary resources should be foreseen and dedicated to this activity.
- 6.3. In the case of projects with significant environmental and social risks and impacts, the promoter, at a minimum, will engage in a preliminary scoping process with identified affected individuals, communities and other relevant stakeholders to ensure the identification of all key



issues to be investigated as part of the Environmental and Social Impact Assessment (ESIA) process.

- 6.4. The scoping process will facilitate the development of a Stakeholder Engagement Plan (SEP) for the project. As part of this process, stakeholders should be able to provide input to the draft Stakeholder Engagement Plan and any other scoping document, and receive feedback on how their comments and input have been incorporated and addressed.
- 6.5. The promoter or their consultants will follow up with a second round of consultations when the draft final ESIA/ESMP reports are ready for consultation. Subsequently, the size and nature of the project, the number and nature of identified stakeholders as well as the provisions in the national legislation and relevant best practices will help determine the location, time, level and frequency of follow-up public consultations throughout the lifecycle of the project.
- 6.6. The promoter will be expected to build upon the avenues of communication and stakeholder engagement established during the ESIA process. This may include using the appropriate community engagement practices to disclose information and receive feedback on the effectiveness of the implementation of the mitigation measures defined in the ESMP, as well as the affected communities' ongoing interests and concerns about the project.
- 6.7. The timely disclosure of relevant project information enables stakeholders to understand the project's risks, impacts and opportunities. Mindful of this and as foreseen in the Stakeholder Engagement Plan, the promoter will provide identified stakeholders with relevant information in a timely and appropriate manner.
- 6.8. The promoter will further disclose and grant access to relevant information to any other interested party as appropriate.
- 6.9. The promoter will provide the following information ("the Information") to all identified stakeholders who are likely to be affected by adverse environmental or social impacts from the project:
  - the purpose nature, objectives and scale of the project;
  - the duration of proposed project activities;
  - any risks to and potential adverse impacts with regard to the environment, land tenure changes (resettlement, land acquisition or expropriation), occupational and community health, safety and security, and any other potential adverse impact on communities arising from the project;
  - the proposed mitigation plans and associated budget;
  - the available grievance mechanisms;
  - any added value and opportunities for benefit-sharing;
  - the envisaged consultation process, if any, and opportunities and ways in which the public can participate; and,
  - time and venue of any envisaged public meetings, and the process by which meetings are notified, summarised, and reported.

- 6.10. This information will be disclosed in the local language(s) and in a manner that is timely, accessible and culturally appropriate, taking into account any vulnerable or minority groups and their right to equitable representation and consideration for their rights, views and interests.
- 6.11. The promoter or their consultants will ensure that access to information is enabled to stakeholders early in the environmental and social impact assessment process and will continue as it unfolds.
- 6.12. The consultation process is part of the public commitment of the promoter. Where communities are, or are likely to be, affected by adverse impacts from a project, the promoter will undertake a process of meaningful consultation in a manner that provides the affected parties with opportunities to identify and express their views on project risks, impacts, and mitigation measures, and engage in a collaborative process with the project in responding to, and addressing considerations raised.
- 6.13. Initial stakeholder consultations will occur early enough for the rights and interests of impacted individuals and communities to influence decisions made throughout the project life cycle.
- 6.14. The promoter will consult all identified stakeholders at strategic decision-making points during the project lifecycle and certainly before any impact is delivered. The frequency and degree of subsequent engagement and consultations will depend on the nature and magnitude of risks and current and potential adverse environmental or social impacts arising from the project.
- 6.15. At minimum, the promoter will ensure that a regular, consistent and reliable platform of on-going dialogue and communication with stakeholders is maintained.
- 6.16. Within the context of such dialogue, the promoter will consider, take into account and respond to all views expressed as appropriate and report to stakeholders on the rationale of ultimate decisions.
- 6.17. Such rationale will need to demonstrate that impacts causing interference with people's human rights are in accordance with the law, in pursuit of a legitimate public aim and proportionate to the objectives sought to be achieved by the project. Key in this process is the promoter's responsiveness and the meaningful on-going engagement and consultations with impacted individuals, communities and other relevant stakeholders.
- 6.18. The promoter will be required to review the effectiveness of previous public consultation processes, report on the findings and make the necessary amendments in the operation's environmental and social action plan (ESAP) and SEP to improve future consultations

- 6.19. The promoter will inform those who have participated in the public consultation process in a timely manner of the final decision on the project, the accompanying environmental and social mitigation measures and any associated benefits for the local communities.
- 6.20. The promoter will further inform the latter of the reasons and considerations on which the decision was based, as well as of the judicial and non-judicial grievance or complaint mechanism or process that should be available during the entire duration of the project.
- 6.21. The Free Prior Informed Consent (FPIC) principle underlines the DBN's acknowledgement of the important nexus linking sustainable development and self-determination. Moreover, and in line with the DBN's commitment to human rights, it is the respect and protection of indigenous peoples' human and collective rights that should guide the promoter actions.
- 6.22. In affirming those rights, the FPIC process should produce a clear endorsement or rejection of the proposed intervention and a statement of all accompanying mitigating measures and/or benefit-sharing agreements. It may be expressed in conditional or unconditional terms. As such, it is the main instrument ensuring to the promoter and the DBN alike that at the project level, the indigenous peoples' priorities for economic, social and cultural development and environmental protection are promoted, informed by their traditional cultures, knowledge and practices, and the implementation of their inherent right to self-determination.
- 6.23. FPIC is expected to be established through good faith negotiation between the promoter and the participating indigenous communities and to be fully documented as a mutually accepted process between the parties, carrying evidence of agreement between them as the outcome of the negotiations and clearly outlining benefit- and risk-sharing provisions.
- 6.24. The DBN is not prescriptive on what constitutes consent and does not require that FPIC ascribes to unanimity, rather that satisfactorily documented evidence of the meaningful engagement of the whole body of a participating community is provided.
- 6.25. In the application of FPIC, the promoter should pay particular attention to the representativeness and legitimacy underpinning the process. The objective should be to reach a collective decision (involving indigenous peoples' representative bodies and organizations e.g., councils of elders or village councils), as well as members of the affected communities of indigenous peoples; and any other local civil society organizations identified by the affected indigenous peoples' communities.
- 6.26. When possible, it is good practice for the promoter to provide in advance capacity building support to indigenous peoples' communities and their organisations, so that they may meaningfully engage in the appreciation of the intended project, impacts and implications arising therefrom.
- 6.27. The promoter should be aware of and responsive to stakeholders' concerns related to the project in a timely manner. A grievance mechanism, process, or procedure at the project level

constitutes a critical means for the early identification and remedy of undesirable or unforeseen impacts and other concerns arising out of the execution of the project.

- 6.28. Its establishment promotes the affected persons' access to remedy and may facilitate resolution of such concerns and grievances linked to the promoter's environmental and social performance.
- 6.29. The promoter will ensure that a grievance mechanism is introduced at project level, irrespective of other complementary linkages or access to existing public grievance channels. It should be designed as a mechanism that is:
- legitimate and trusted;
  - scaled to the risks and potential adverse impacts of the project;
  - publicised and accessible, appropriately tailored to all potentially-affected persons and communities and other interested parties, irrespective of their literacy and administrative capacity;
  - free of cost for the stakeholders;
  - includes the anonymity option, where feasible, and guarantee confidential handling of requests, if so requested by the complainant;
  - fair, transparent and inclusive;
  - guided by engagement and dialogue;
  - predictable in terms of process;
  - timely;
  - not impeding access to grievance and resolution on grounds of one's financial ability to seek judicial remedy; and,
  - a source of continuous learning for the promoter and the lending operation at large.
- 6.30. It is expected that such a mechanism is introduced by the promoter at the very outset of project design. In terms of scope, it should possess a life-span similar to that of the operation, whilst it should be open to serve all interested parties bearing concerns that arise out of the project's scope.
- 6.31. Where a complaint is not admissible or relevant, the promoter will refer the aggrieved parties to the relevant authority or other grievance process.
- 6.32. The grievance mechanism, process or procedure should not impede access to independent judicial or administrative remedies outside any project specific context; quite the contrary, it should complement and facilitate access to independent bodies such as the Office of the Ombudsman.
- 6.33. Such mechanism, process, or procedure will document and address concerns communicated to the promoter promptly and effectively, using an understandable and transparent process that is culturally appropriate and readily accessible to all stakeholders, at no cost and without

retribution. This is critical for it to be able to deliver on its intended purpose, namely the strengthening of non-judicial access to grievance at the project level.

- 6.34. For the grievance redress to function well, the mechanism should be adequately planned for, budgeted and staffed.
- 6.35. The promoter will introduce an effective feedback system to the mechanism, informing the affected communities about the project grievance process and its outcomes and reporting regularly to the public on its implementation, while protecting the privacy of individuals.
- 6.36. The promoter will also inform the affected communities of their right to independent judicial recourse in the event that grievances cannot satisfactorily be resolved using the project-specific mechanisms. Resolution of a grievance should be confirmed by way of evidence of the satisfaction of the stakeholder/aggrieved party. It is required that the promoter diligently documents this process.

## **7. PERFORMANCE MANAGEMENT**

- 7.1. The promoter is required to monitor the implementation of the stakeholder engagement plan and the performance of the grievance mechanism and report on both.
- 7.2. In accordance to and as an integral component of a project's Environmental and Social Management System, monitoring and reporting procedures must be established early on in the operation by the promoter.
- 7.3. In terms of monitoring, the promoter will arrange for all necessary provisions to assure stakeholder engagement during the monitoring phase. Thereby, the promoter will endeavour to involve independent third parties (e.g. CBOs, NGOs, and national human rights institutions) or to facilitate community-driven monitoring, where practical and acceptable by the communities concerned.
- 7.4. In terms of reporting, the promoter will establish regular communication and reporting channels back to the communities and individuals impacted and concerned, whether through non-technical summaries of progress updates, engagement activities, public meetings, targeted issue-based hearings.

## **8. REVIEW**

The principles contained in this standard will be reviewed on an annual basis to facilitate improvement.

## **9. GENERAL REFERENCES FOR STANDARD METHODS**

- ISO14001:2015, ISO18001 & ISO9001
- Environmental Impact Assessment Regulations: Environmental Management Act, 2007
- The Aarhus Convention, otherwise known as the UNECE Convention on Access to Information, Public Participation in decision making and Access to Justice in Environmental Matters
- African Development Bank Group Integrated Safeguards System (ISS) - Approved 17 Dec 2013
- European Investment Bank (EIB) Environmental and Social Handbook, Environment, Climate and Social Office Projects Directorate, Version 9.0 of 02/12/2013
- DBSA Environmental and Social Safeguard Standards\_ESSS\_13May2014

## **10. BOARD APPROVAL OF STANDARD**

**EXTRACT OF THE UNAPPROVED ORDINARY BOARD MINUTES OF THE BOARD  
OF DIRECTORS' MEETING HELD ON 7 NOVEMBER 2016 AT 12 DANIEL  
MUNAMAVA STREET, WINDHOEK, NAMIBIA**

**"7. RISK, COMPLIANCE AND POLICIES**

**7.1 The Board reviewed and approved without any amendments thereto the following  
environmental standards,**

- 7.1.1 Environmental and Social Management System Standard
- 7.1.2 Occupational Health and Safety, Public Health and Security Standard
- 7.1.3 Rights and Interests of Indigenous People Standard
- 7.1.4 Stakeholder Engagement Standard
- 7.1.5 Labour and Working Conditions Standard
- 7.1.6 Land Acquisition and Involuntary Resettlement Standard
- 7.1.7 Cultural Heritage Standard
- 7.1.8 Emergency Prevention, Preparedness and Response Standard
- 7.1.9 Pollution Prevention and Control Standard
- 7.1.10 Biodiversity and Ecosystems Standard
- 7.1.11 Greenhouse Gas Emissions and Climate Change Standard



**Company Secretary  
R Brusa**  
14 December 2016