

Community engagement strategies

This note provides guidance on the overall approach to consulting, engaging, and partnering with local communities, to bridge gaps in information and expectation between communities and investors and create the social license to operate.

Engaging with local communities and other stakeholders is both socially responsible and a business imperative; investors that are well integrated with the local community are more likely to be financially successful. Effective engagement is necessary across all phases of the investment project, from the initial mapping, consultations with communities, and contract negotiations to the establishment of a grievance mechanism, ongoing community dialogue, and monitoring of both environmental and social impacts. Aligning the expectations and understanding of investors and communities creates the necessary environment for mutual benefit.



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RESPONSIBLE AGRICULTURAL INVESTMENT (RAI)

KNOWLEDGE INTO ACTION NOTES

The **UNCTAD–World Bank Knowledge Into Action Note Series** is a compendium of practical, thematic guidance documents for use by governments, investors, and other stakeholders in the implementation of responsible agricultural investment principles. Background and a complete list of notes are in *Note 1: Introduction*.



WHAT DOES FIELD RESEARCH SHOW?

Although an investor consults with a range of stakeholders, this note covers guidance on the overall approach to consultation, engagement, and partnership with local communities, referred to as the investor's community engagement strategy. Important subcomponents of that strategy are addressed in *Note 11: Respecting land rights and averting land disputes*, *Note 12: Relocation and resettlement*, *Note 20: Empowering women*, *Note 19: Grievance redress mechanisms*, and *Note 18: Community development agreements*.

Proactive, not reactive. Those investors that engaged regularly with communities, both formally and informally, experienced fewer negative perceptions about their activities. Successful engagement creates trust, to mutual benefit. Successful community engagement reflected a proactive commitment of senior management, who carefully planned engagement, took the time and energy needed, and allocated resources to community relations, either contracting third-party specialists or directly employing community facilitators. Reactive strategies, in which investors responded only when grievances arose, were associated with more strained relations and a greater number of negative perceptions.

Benefits outweigh the costs. Most managers reported that the initial community consultations were time consuming and could be expensive, particularly in greenfield projects involving land acquisitions and complete environmental and social impact assessments. Attempts to shortcut these processes usually led to negative long-term ramifications caused by a breakdown in trust, both for investors and local communities.

Investor responsibility. Investors should drive the community engagement process, with support from government and civil society where appropriate (box 1). Yet, although government agencies and civil society can provide an entry point into communities, their own interests and limited capacity can sometimes compromise the process. In some cases,

investors assumed governments had adequately engaged with local communities and resolved all the issues prior to their arrival. In these cases that assumption resulted in confusion, delays, increased costs and worsened relations, affecting the operational and financial viability of the operation.

Use of multiple communication channels. Investors used multiple channels of communication (box 2). A combination of informal and formal channels tended to be beneficial. Direct personal communication by senior managers can build personal credibility, as communities know they are speaking to the person in charge. Local communities were more willing to accept non-preferred outcomes when senior managers dealt with concerns with honesty and empathy. Employees are often community members and thus channel information to and from communities. Where employees' experiences with the investor were positive, this improved the climate of engagement, whereas poor working conditions or dissatisfaction in present and past employees had the opposite effect. Formal communication structures are an essential complement to such informal channels. The lack of formal structures can allow key information to be missed. For example, one investor supported outgrowers but the smallholders were unaware of key elements of the program such as credit and purchase terms. In contrast, another company agreed with the local community to establish a formal community liaison committee, ensuring the mandated participation of women and youth actually occurred. This assisted in improving relations between the investor and the community.

Two-way flow of information. Information provided during consultations with communities should be clear and realistic. Consultations need to be open and genuine as communities expect their suggestions, grievances, and feedback to be taken into consideration in the investor's planning and decision making. Communities should be informed of which of their recommendations and concerns have been considered and how the company intends to address them. Those surveyed accepted that not all concerns could be addressed but expected the investor to provide sound reasoning for the rejections. The best consultation procedures are genuine and open discussions, not merely the announcement of decisions already made.

Consultations backed by ongoing dialogue. The community dialogue should not end with the signing of an investment contract. Successful engagement strategies employed a system for ongoing dialogue on various aspects of the operation, including the land allocation, community development program, development of project infrastructure, establishment of outgrower schemes, progress of the investment, and so on. Communities appreciated feedback on how an operation is progressing, especially in areas that affect their direct interests and areas in which commitments had been made during the inception phase of the investment. Where commitments were not being met, communities were more forgiving if challenges were being honestly shared.

Adaptation of the strategy as the business develops. As a company expands, so do the number of people affected and the complexity of the potential issues encountered. Community engagement thus becomes more resource-intensive, and so the investor should adapt the engagement strategy to changing circumstances and review it periodically.

Local cultural protocols within communities. Local cultural protocols need to be understood and recognized as they guide how and through whom community communication occurs. For example, a community chief or leader could easily be offended if someone of low rank from an investor communicates directly with him or her. It is crucial to recruit appropriately skilled and knowledgeable local staff who are able to understand the local culture—but not get snared in factional interests—and communicate in the local language.

Box 1. Investor responsibility for community engagement

One investor received a land lease within what was deemed a government-controlled area and therefore did not map the surrounding community or have a structured engagement policy, assuming it was not necessary. It quickly found, to its detriment, that community members were making informal use of the land, leading to community conflicts. The investor then appointed an environment and social group manager and engaged local facilitators. The subsequent development of a structured engagement process, dealing with issues and grievances on an ongoing basis, led to an improvement in community relations, after a long period during which trust was rebuilt.

Source: UNCTAD–World Bank Responsible Agricultural Investment Database.

Box 2. Two examples of communication channels – employees and radio

Employees. In one investor, the CEO holds briefing sessions with supervisors and managers at 6:30 each morning to update them on company matters relating to targets, performance and successes, and key issues of the day (such as upcoming training sessions to which community members are invited, and issues relating to outgrowers). In this way, communication is relayed to junior staff and to the broader community by word of mouth.

In another case a nongovernmental organization and a large multinational investor have worked together to develop communication tools (posters, videos, and facilitator handbooks for company employees) in local languages.

Radio. One investor in a remote area established a local radio station and is successfully using this medium to transfer knowledge on operations of the project, promote health and safety education, and provide a platform for the sharing of local news and social events.

Source: UNCTAD–World Bank Responsible Agricultural Investment Database.

✓ ELEMENTS OF GOOD PRACTICE FOR INVESTORS

Understand local laws and regulations. Investors should be informed about host countries' laws and regulations on when and in what instances community engagement is required, especially for consent and decisions. If government legislation and practices in relation to community engagement and indigenous peoples' rights are inadequate, investors should conform to international best practice and encourage governments to conform to their requirements.

Changing strategies over time. Investors should consider how aspects of community engagement strategies will vary over time, and plan accordingly over the lifetime of the operation (box 3).

Box 3. Investment phases that influence community engagement strategy

Effective community engagement should ideally be tailored to the specificities of the operation, its size, and the investment's phase of development. The order of phases is not rigid and the phases overlap.

Box figure 3.1. Key investment phases and community engagement



Source: IFC 2007.

Mapping. In the early phase of scoping, investors should determine which people are likely to be directly or indirectly affected by the investment, and identify what their interests are. Prioritizing among stakeholders or dealing with community representative bodies may be required, but it is important to ensure marginalized groups (women, youth, indigenous groups) are included.

Disclosure. Sharing of timely, understandable, and accessible information about the project is essential to developing a good relationship with the community.

Negotiation and collaboration. The negotiation of a fair investment agreement that is acceptable to both the community and the investor requires early collaboration to build trust and understanding.

Consultations and reporting. Consultations should allow for a two-way channel, where communities can provide feedback, raise concerns, express their needs and interests, and companies can continuously keep communities informed and engaged.

Grievance resolution. Communities are affected by investments in several ways and should have forums in which to report grievances and seek redress. Developing efficient mechanisms for community members to raise concerns and have them addressed in a timely manner with feedback is essential. Such mechanisms ensure that issues are not left unaddressed and allowed to escalate.

Monitoring of environmental and social impact. Appropriate opening up of the operation to community members through involvement directly in monitoring specific environmental or social impacts (including community development agreements and the environmental management plan) can dissipate suspicion effectively and create a stronger investor-community relationship.

Source: UNCTAD and World Bank, partly based on IFC 2007.

Early research and engagement. Developing an understanding of the local community context is vital early in the process. This is achieved by means of community mapping to identify the demographic profile, any marginalized and indigenous people, power dynamics, livelihood sources, and key stakeholders. An understanding of community power dynamics is important, especially in regard to political versus traditional authority. Gender dynamics, such as whether societies are matrilineal or patrilineal, are also important.

Documented strategies and policies. A documented strategy and engagement policy for company use and informing all relevant staff of its content is essential. Key elements to include are lines of communication, responsibilities, and engagement protocols (for example, giving and receiving of gifts, meetings with senior community leadership, and the like). This strategy and policy should be updated regularly. Key elements should be shared with external stakeholders.

Building trust over time. Initial engagement to build trust, and allow sufficient time for consideration and agreement on proposals, should be undertaken by a senior person in the company, one who takes direct responsibility and control over the process. A trusted third party could be engaged for some of the activities. Waiting until the last minute to engage when a strategic business decision requires the consent of the community is unlikely to have a positive outcome.

Engage with a range of stakeholders in good faith. Investors should engage in good faith and with clear information, considering existing power imbalances, to achieve active, free, effective, meaningful, and informed participation of individuals and groups in decision-making processes. Inclusion of marginalized groups (such as women, youth, or indigenous peoples) is important. Accomplishing this may require creating separate consultation opportunities outside of broader community meetings. Carefully assessing the impact of a new operation on the livelihoods of marginalized groups and engaging with them about the impacts is also necessary.

Willingness to collaborate with communities brings dividends. Engagement should be based on the principles of free, prior, and informed consent and should genuinely aim to reach mutually beneficial solutions.

Appropriate disclosure of information. Investors should disclose adequate information and share it appropriately, presenting detail on technical information in a manner understandable at the level of education of the community, using visual communication tools for those who are illiterate. This will facilitate community decision-making processes and project monitoring. Information should include at least details of the land lease (boundaries and lease term), environmental and social impact assessments, environmental and social management plans, community development agreements, grievance procedures, and company policies applicable to relationship issues between the community and the investor.

Training for staff who engage with communities. Operational managers should be coached in the etiquette of dealing respectfully with community members, as well as in meeting facilitation skills.

Location of the discussions. Investors should consider the location of where the engagement takes place in the context of the purpose of the engagement. Initial engagement with communities in a place familiar to them (for example, at the traditional meeting place or a community hall on community land) sets the scene for more comfortable discussions. As the investment project develops, some meetings can be moved to the investor's facilities.

Role of external actors. Delegating functions to well-regarded and competent external actors, knowledgeable in local customs and language, can be beneficial only if relevant staff are fully aware of the actions and approach undertaken by the external actor. Investors should be sensitive to the fact that locally recruited liaison officers may not fully represent the broader community and may favor one set of interests over another.

Role of community liaison officers. Investors should consider establishing a permanent or regular company presence in the community. An effective way for an investor to show its commitment to collaborate closely with communities can be to place representatives in the communities. Such "liaison officers" are often chosen from among the members of the community.

Documenting and recording meetings. Recording meetings and decisions made is good practice. Formal gatherings and agreements should be documented. For complex legal agreements, memoranda of understanding, and community development agreements, an explanatory memorandum should be produced in the local language. Keeping evidence of action (minutes, photos, videos, signed agreements, proof of payments) for further reference can be useful. The agreements could be read aloud for the benefit of those not able to read. Arrangements should be made for documents to be kept by the investor, local community, and government offices. Community members should be advised of how they can access these documents.

✓ ELEMENTS OF GOOD PRACTICE FOR GOVERNMENTS

Develop guidelines. Governments should develop guidelines for investors on what types of community engagements are essential for different categories of investments; for these it is useful to draw on local customs and international good practice. For example, investments involving community land require that before entering into a lease agreement, investors hold a community forum to share information about the project, and its impacts and to develop a community agreement, including how engagement between the community and the investor will function.

ESIA consultations. Governments should require consultations during the design and development of the environmental and social impact assessments as part of national regulations and international standards.

Monitoring of the investment. Governments should consider establishing establish community engagement requirements in the investment monitoring plan.

Grievance mechanisms. In a similar vein, governments should also consider requiring investors to establish a community grievance mechanism.

Provide support to communities through the process but remain neutral. It is important for governments to consider ways to support communities in their engagement with investors and act as a resource for information that promotes positive engagement, such as regulatory requirements, maps, resource plans, and the like. Remain a neutral party to the engagement between investors and communities, facilitating relationships where required and being a witness to outcomes of engagements for which agreements are signed.

Embed requirements in the contract. Consider requiring the establishment of a formal community engagement strategy in the investment contract. This may be annexed to the contract and should include commitments for meetings and the overall approach to dealing with local communities.

✓ ELEMENTS OF GOOD PRACTICE FOR COMMUNITY LEADERS

Establish fora with broad representation. Establish an appropriate forum through which engagements with the investor may be channeled. Careful deliberation on the representation on this body is necessary. It should include a cross-section of the community so all voices can be heard; for example, traditional authority, administrative authorities, directly affected community members, and marginalized groups (such as women and youth).

Adapt engagement with the investor over time. Consider how to modify the function and role of the forum to accommodate the phases that a project goes through, from initial negotiation and agreement on land, to design and management of environmental and social impact assessments, design and agreement on outgrower projects, and grievance referral.

Seek to establish written agreements. Communities should aim to put in place a memorandum of understanding with the investor on how the relationship and engagement between the parties will be conducted. This should include agreements with the investor on protocols of how communication and messages to the broader community will be distributed (for example, community notice boards, localized meetings, radio, and newsletter).

Communicate with the wider community. Consider how to hold community forums to which important decisions can be referred and at which general information can be provided about decisions made.

REFERENCES AND RESOURCES

This Note is complementary to the literature and guidance documents to which many organizations have contributed, a selection of which is provided below. Further resources are provided in *Note 2: Additional resources*.

DARE, M., F. VANCLAY & J. SCHIRMER. (2011). [Understanding Community Engagement in Plantation Forest Management: Insights from Practitioner and Community Narratives](#). *Journal of Environmental Planning and Management* 54(9).

FAO. (2014). [Respecting Free, Prior and Informed Consent: Practical Guidance for Governments, Companies, NGOs, Indigenous Peoples, and Local Communities in Relation to Land Acquisition](#). *Governance of Tenure Technical Guide 3*. (FAO: Rome).

FOREST TRENDS. (2011). [Community Engagement Guidance: Good Practice for Forest Carbon Projects](#). In: *Building Forest Carbon Projects*. (Forest Trends: Washington).

HERBERTSON, K., A. BALLESTEROS, R. GOODLAND & I. MUNILLA. (2009). [Breaking Ground: Engaging Communities in Extractive and Infrastructure Projects](#). (World Resources Institute: Washington).

IFC. (2007). [Stakeholder Engagement: A Good Practice Guide for Companies Doing Business in Emerging Markets](#). (World Bank: Washington).

IFAD. (2015). [How to Do: Seeking Free, Prior, and Informed Consent in IFAD Investment Projects](#). (IFAD: Rome).

Country examples:

DENG, D.K. (2012). [Handbook on Community Engagement: A 'Good Practice' Guide to Negotiating Lease Agreements with Landowning Communities in South Sudan](#). (The South Sudan Law Society: Juba).

REPUBLIC OF GHANA. (2015). [Community/Investor Guidelines for Large-Scale Land Transactions](#). Ghana Commercial Agriculture Project. (Ministry of Food and Agriculture: Accra).



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