Environmental and Social Standard 10. Stakeholder Engagement and Information Disclosure

NOTE: This document should be read in conjunction with the proposed ADB Environmental and Social Framework, which contains the full text of the Environmental and Social Policy (proposed responsibilities of the ADB), the 10 Environmental and Social Standards (proposed responsibilities of the Borrowers/Clients, and the Prohibited Investment Activities List (activities ineligible for ADB financing). This document is being circulated for consultation purpose only. Guidance from the ADB Board of Directors will be sought on this document as part of the Working Paper, scheduled in Q4 2023.
ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE

I. Introduction

1. This Environmental and Social Standard (ESS) 10 recognizes the importance of open, transparent, and safe engagement between the borrower/client and the persons affected by a project including local communities, host communities, project workers and worker representatives, and other project stakeholders. Effective stakeholder engagement and information disclosure proportionate to the nature and scale of a project can improve the environmental and social sustainability of projects, enhance project acceptance, and lead to improved social, environmental, and financial outcomes. Stakeholder engagement is consistent with the policy objectives of timely disclosure of project information, effective public participation in assessing a project's environmental and social (E&S) risks and impacts, and in decision-making processes, and reception and management of grievances and concerns.

2. Stakeholder engagement is an inclusive process initiated as early as possible in the project concept design phase, and conducted throughout the preparation and implementation phases of a project cycle. Stakeholder engagement sets up strong, constructive, and responsive relationships that are fundamental for successful assessment, management, and monitoring of a project's E&S risks and impacts and forms an integral part of informed decision making.

II. OBJECTIVES

a. Establish a systematic approach to stakeholder engagement that will help borrowers/clients develop and maintain a constructive and responsive relationship with their stakeholders;

b. Assess levels of stakeholder interest and support for a project through meaningful consultation, and enable stakeholders’ views to be taken into account in the project development process, and in the implementation and monitoring of E&S performance;

c. Promote and provide the means for effective and inclusive engagement with stakeholders on issues that could potentially affect them throughout the preparation, and implementation phases of a project cycle;

d. Ensure appropriate project information on E&S risks and impacts is disclosed to stakeholders in a timely, understandable, and accessible manner and format;

e. Ensure the needs and concerns of disadvantaged or vulnerable project-affected persons are recognized and accounted for in the stakeholder engagement and information disclosure process;

f. Provide stakeholders with safe, accessible, and inclusive means to raise questions, proposals, concerns, and grievances, without threat of reprisal, and ensure that the borrower/client responds and manages them effectively.

III. SCOPE OF APPLICATION

3. The applicability of this ESS 10 is established during the E&S assessment process described in ESS1. The requirements of this ESS 10 apply to stakeholder engagement and information disclosure related to E&S risks and impacts as set out in ESSs1-9.
IV. GENERAL REQUIREMENTS

4. The borrower/client will engage with stakeholders throughout the concept design, preparation, and implementation phases of a project cycle. The borrower/client will commence stakeholder engagement as early as possible in the project concept design phase and in a timeframe that enables meaningful consultations with stakeholders on project design and will continue throughout the preparation and implementation phases of a project cycle as set out in a stakeholder engagement plan (SEP) as described in paras 11-14. The nature, scope, and frequency of stakeholder engagement will be proportionate to the nature and scale of a project, as well as to its potential E&S risks and impacts. Stakeholder engagement will be undertaken in a manner that is safe and accessible for stakeholders, without threats or actual coercion, intimidation, manipulation, force, or any form of reprisal.

5. Stakeholder engagement requires: (i) stakeholder identification and analysis; (ii) stakeholder engagement planning and implementation; (iii) information disclosure; (iv) meaningful consultation; (v) monitoring and reporting; and (vi) addressing and responding to grievances.

6. The borrower/client will maintain and disclose, as part of the E&S assessment process as described in ESS1, a documented record of stakeholder engagement. Such record will include a description of the stakeholders consulted, a summary of the feedback received, and a brief explanation of how the feedback was taken into account, or the reasons why it was not.

7. The term "stakeholder" refers to individuals, communities, or groups who: (i) are affected or likely to be affected by a project, and are referred to as “project-affected persons”; and (ii) may have an interest in a project, and are referred to as “other interested parties”.

8. All disclosure requirements set out in this ESS10 and other ESSs are guided by ADB’s Access to Information Policy (2018), including the exceptions to disclosure. The borrower/client will agree with ADB on the management of confidential information or personal information especially for project-affected persons, including the timing and content of the disclosure of such information.

V. SPECIFIC REQUIREMENTS

A. Stakeholder Engagement during Project Development Process

a). Stakeholder Identification and Analysis

9. The borrower/client will identify and document the different stakeholders, how they may be affected by a project, and what interests and concerns they might have at the time of project preparation.

10. The borrower/client will undertake a stakeholder analysis that will provide sufficient levels of information and disaggregation to enable the borrower/client to determine the nature, scope, and methods of the engagement process that are appropriate for a project. During stakeholder identification and analysis, the borrower/client will pay particular attention to, and prioritize, identifying and analyzing those project-affected persons with emphasis on those deemed disadvantaged or vulnerable, or who may face systemic barriers to stakeholder engagement based on discrimination or social exclusion, and who may need different or separate forms of engagement.
When stakeholder engagement with local individuals and communities depends substantially on community representation, the borrower/client will make reasonable efforts to verify that such persons represent the views of those individuals and communities and that they are facilitating the communication process in an appropriate manner.

**b). Stakeholder Engagement Plan**

11. A borrower/client will undertake stakeholder engagement planning, in consultation with ADB, and develop an SEP proportionate to the nature and scale of a project and to its potential E&S risks and impacts, and implement the SEP. The SEP may be a standalone document or may be a part of another document prepared in accordance with ESS1. The borrower/client will endorse and disclose the SEP and will also submit the SEP to ADB for disclosure as early as possible in project preparation but no later than ADB’s project appraisal or final credit approval. If significant changes are made to the SEP, the borrower/client will disclose the updated SEP in a timely manner and will submit to ADB for disclosure.

12. The SEP will outline stakeholder engagement undertaken and to be undertaken, clarify roles and responsibilities, identify necessary resources and timelines, and serve as a guiding document for stakeholder engagement and adaptive management, and specify the phases of a project cycle where stakeholder engagement will be needed. The borrower/client will ensure that the SEP includes stakeholder analysis and identification and describes the stakeholder consultation and participation mechanisms for different types of stakeholders at different phases of a project cycle to address E&S risks and impacts. The SEP will describe the type of information sought from project-affected persons and other interested parties, and how outputs from meaningful consultation and participation will be documented. The SEP will also describe planned information disclosure measures, including the type of information to be disclosed, the method of dissemination, and how continuing stakeholder participation will be facilitated during project implementation. It will include provision for additional stakeholder engagement in the event of any unanticipated E&S risks and impacts.

13. The SEP will reflect how concerns, recommendations, and managing risks will be addressed in project design and mitigation measures. The borrower/client will ensure that the SEP takes into account the interests of all relevant stakeholders, summarizing comments, needs, and concerns received from project-affected persons and other interested parties, with special attention to the views of disadvantaged or vulnerable persons and groups, women, and different age groups, and how they will be addressed. The SEP will also describe data privacy procedures, including how sensitive or confidential information collected through ESSs will be managed and protected.

14. Where specific sub-projects or investments using ADB financing are not known, or where specific locations or alignments of major infrastructure or project facilities are uncertain at the time of ADB’s project appraisal or final credit approval, the borrower/client will ensure that the SEP will take a framework approach and establish: (i) general principles; (ii) a strategy to identify stakeholders; and (iii) a strategy for meaningful engagement in accordance with this ESS10 that will be implemented once the location is known.
c). Information Disclosure

15. The borrower/client will provide stakeholders with access to the following information as early as possible in a project cycle and in a timeframe that enables meaningful consultations with stakeholders on project design:

(i) The purpose, nature, and scale of a project;
(ii) The expected duration of proposed project activities;
(iii) Potential E&S risks and impacts of the project on local communities, and the proposals for avoiding, minimizing, or mitigating these, including the differentiated measures taken for disadvantaged or vulnerable groups;
(iv) The proposed stakeholder engagement process highlighting the different ways in which stakeholders can participate and have their views considered in the process;
(v) The time and venue of any proposed public consultation meetings, and the process by which meetings will be notified, summarized, and reported; and
(vi) The process and means by which concerns and grievances can be raised and will be addressed.

16. The borrower/client will disclose the information set out in para 15 and any other relevant information as determined by ADB, to project-affected persons in a manner that is understandable, accessible, and culturally appropriate, taking into account any specific needs of groups that may be differentially or disproportionately affected by a project or groups of the population with specific information needs such as due to ethnicity, disability, literacy, gender, age, mobility, differences in language, or accessibility.

17. For High Risk, Substantial Risk, and Moderate Risk projects, prior to ADB’s project appraisal or final credit approval, the borrower/client will provide to ADB for disclosure draft, or final if available, documents and information prepared by the borrower/client in accordance with ESS1 including assessment tools and management tools, and environmental and social commitment plan (ESCP)/environmental and social action (ESAP), unless such documents and information will be prepared post-ADB approval of a project, as reflected in an ESCP/ESAP. The borrower/client will ensure that assessment tools and management tools address, in an adequate manner, the key E&S risks and impacts of a project and provide sufficient detail to inform stakeholder engagement and ADB decision making.

18. The borrower/client will submit to ADB for disclosure E&S performance monitoring reports prepared under the ESSs applicable for a project, as required by the ESCP/ESAP.

19. If there are changes to a project that result in additional E&S risks and impacts, particularly where these will impact project-affected persons, the borrower/client will provide information on such risks and impacts and meaningfully consult with project-affected persons on how to mitigate these risks and impacts. The borrower/client will also update the relevant documents and information, including the ESCP/ESAP accordingly, setting out any additional measures and actions. Updated documents and information will be submitted to ADB for disclosure.

d). Meaningful Consultation

20. The borrower/client will undertake a process of meaningful consultation in order to provide project-affected persons and other interested parties with the opportunity to express
their views on project risks, impacts, and mitigation measures, and to allow the borrower/client to consider and respond. The extent and degree of engagement required by the meaningful consultation process will be proportionate to the nature and scale of the potential E&S risks and impacts of a project and with the concerns raised by project-affected persons and other interested parties.

21. **Meaningful consultation** is a two-way process, that:

- Begins early in the project planning process to gather initial views on a project proposal and inform project design;
- Is conducted in a transparent and accessible manner;
- Encourages stakeholder feedback, particularly as a way of informing project design, identification and mitigation of E&S risks and impacts, and other project implementation issues;
- Is undertaken in an atmosphere free of external manipulation, discrimination, coercion, intimidation, and threat of reprisal and appropriately designed to address these concerns;
- Is continuous throughout the design, preparation, and implementation phases of a project cycle, as E&S risks and impacts arise and project benefits are recognized;
- Is based on early disclosure and dissemination of information in a form, language, and manner that is culturally appropriate, gender-responsive, understandable, and readily accessible to project-affected persons;
- Supports active and inclusive engagement with project-affected persons and is tailored to different stakeholder needs;
- May involve separate discussions for different project-affected persons and take into account the local languages of project-affected persons and educational differences as well as potential social bias;
- Considers and responds to feedback from stakeholders; and
- Will include new or updated information relevant to a project.

22. The borrower/client will inform project-affected persons, in a timely manner of the final decision on a project, associated E&S mitigation measures, and the reasons and considerations on which the decision is based.

23. Where a borrower/client has conducted consultations and information disclosure in connection with a project’s E&S risks and impacts prior to ADB’s involvement in a project, the borrower/client will conduct an E&S audit to determine whether such consultations and information disclosure meet the requirements of this ESS10. Based on the findings of the E&S audit, the borrower/client may be required to undertake additional consultation and information disclosure.

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**B. Stakeholder Engagement During Project Implementation, Monitoring, and Reporting**

24. The borrower/client will continue to meaningfully consult with, and provide relevant information to, project-affected persons and other interested parties during project implementation in the same manner as required by this ESS10 for project preparation. Additional information disclosure and/or meaningful consultation may be needed at key phases in a
project cycle and/or on any specific issues that the disclosure and consultation process or grievance mechanism has identified as of concern to the stakeholders.

25. The borrower/client will continue to conduct, monitor, and report stakeholder engagement in accordance with the SEP, including submission of monitoring reports for ADB disclosure, and as a means of providing necessary information for ongoing decision making and will build upon the channels of communication and engagement already established with stakeholders.

26. Depending on the potential significance of E&S risks and impacts, the borrower/client may be required to retain qualified experts, to monitor and report on the progress of stakeholder engagement and on implementation of the SEP and provide recommendations to the borrower/client to resolve identified risks and concerns, as part of the external monitoring described in ESS1. The borrower/client will share the findings and recommendations of such external monitoring with ADB for disclosure.

C. Grievance Mechanism

27. The borrower/client will respond to and manage concerns and grievances of project-affected persons concerning a project's E&S performance in a timely manner. For this purpose, the borrower/client will establish at the earliest opportunity and implement a grievance mechanism to receive and facilitate resolution of concerns and grievances. Where a grievance mechanism is prescribed under other ESSs, the mechanism provided under this ESS10 may be utilized. However, for grievances involving project workers or where there may be a risk of sexual exploitation, abuse, or harassment, the borrower/client will establish a separate grievance mechanism or alternative platform under ESS2 and ESS4 in addition to the one required under this ESS10.

28. The grievance mechanism will respond to concerns promptly, effectively, and in a manner that is transparent, discreet, objective, culturally appropriate, and readily accessible to all project-affected persons. The grievance mechanism will:

(i) be proportionate to the potential E&S risks and impacts of a project;
(ii) be accessible and inclusive;
(iii) be accessible at no cost to the complainant;
(iv) allow for anonymous complaints to be raised and addressed;
(v) utilize existing traditional dispute resolution methods, to the extent preferred and acceptable to project-affected persons and where feasible and suitable for a project;
(vi) enable full and fair access by additional means for disadvantaged or vulnerable persons; and
(vii) not preclude access to the national judicial or administrative remedies, or mediation.

29. The borrower/client will inform stakeholders about the grievance process in the course of its engagement activities.

30. The grievance mechanism will be conducted without external manipulation, discrimination, coercion, intimidation, and threat of reprisal. The borrower/client will address allegations of reprisal, abuse, intimidation, or discrimination, and take appropriate remedial measures.
31. The borrower/client will regularly monitor implementation of the grievance mechanism and update it when needed. The borrower/client will maintain an up-to-date record of grievances and resolution timetables, which will also be included in monitoring reports. The borrower/client will redact any confidential information in consultation with ADB, before making records of grievances and resolution timetables available.

32. The borrower/client will include information about the ADB’s Accountability Mechanism as part of its meaningful consultation with project-affected persons and other relevant stakeholders.

VI. ORGANIZATIONAL CAPACITY

33. For implementation of stakeholder engagement activities as set out in the SEP, including the grievance mechanism and monitoring, in compliance with this ESS10, the borrower/client will:

(i) ensure sufficient financial and qualified human resources proportionate to the anticipated E&S risks and impacts of a project are available; and

(ii) designate specific personnel to be responsible for stakeholder engagement and clearly define their roles and authority.