

Community Engagement

Alan S. Gutterman

Community engagement and dialogue—sharing information and listening to community members to provide them with a voice on matters that impact them—is the cornerstone of everything a company does vis-à-vis the community in which operates. Community engagement appears in many of the voluntary standards relating to sustainability and reporting on sustainability-related matters. For example, the OECD Guidelines call on enterprises to seek and consider the views of community members before making decisions regarding changes in operations that would have major effects on the livelihood of employees and their family members living in the community and the community as a whole (e.g., proposed closures of facilities) and take steps to mitigate adverse effects of such decisions on the community. Effective community engagement must be built on a sense of trust between the company and the members of the community and organizations must take affirmative steps to enhance the community's participation and influence in decision-making processes and ensure that community members have access to information that they need in order to understand and evaluate the organization's activities in the community.

Communities generally appreciate most of the tangible benefits that companies provide including jobs, support for local businesses and nonprofit organizations and assistance with maintaining the infrastructure upon which all community members depend. However, there is at least one other important thing that companies can do to improve the quality of life in their communities and make better use of their own resources. The answer is proactively working to give community members a “voice” by allowing them to have input into decisions made by governments, companies and other organizations that will impact their day-to-day lives and the level of well-being in the communities in which they live and work. Community engagement is the cornerstone of everything a company does vis-à-vis the community in which operates.

Community engagement appears in many of the voluntary standards relating to sustainability and reporting on sustainability-related matters. For example, the OECD Guidelines for Multinational Enterprises (<http://mneguidelines.oecd.org/>) call on enterprises to seek and consider the views of community members before making decisions regarding changes in operations that would have major effects on the livelihood of employees and their family members living in the community and the community as a whole (e.g., proposed closures of facilities) and take steps to mitigate adverse effects of such decisions on the community. The Global Reporting Initiative (“GRI”), (www.globalreporting.org), created Sustainability Reporting Standards that have become the most widely used standards on sustainability reporting and disclosure around the world and which call for reporting organizations to discuss their management approach to

local communities by describing the means by which stakeholders are identified and engaged with; which vulnerable groups have been identified; any collective or individual rights that have been identified that are of particular concern for the community in question; how it engages with stakeholder groups that are particular to the community (for example, groups defined by age, indigenous background, ethnicity or migration status); and the means by which its departments and other bodies address risks and impacts, or support independent third parties to engage with stakeholders and address risks and impacts.¹

In its CSR Processes and Practice Manual, Africa Oil Kenya (“AOK”) noted that a company’s approach to working with local communities is a critical component to its social license to operate and cultivating a trusted relationship, with strong communication, between the company and its community stakeholders takes time and patience.² Among other things, community engagement should be used to proactively understand the various perspectives of the communities in order to manage the expectations of stakeholders, identify potential conflicts or risks and appropriate responses and ensure communities feel like they have been engaged. Effective stakeholder engagement requires a deliberative and ongoing process based on the following principles and elements³:

- **Predictability:** Stakeholders should have a clear understanding of the process of engagement
- **Transparency:** Information should be communicated early in the decision-making process in ways that are meaningful and accessible
- **Accessibility and Appropriateness:** Consultation with stakeholders should be conducted in a manner that is inclusive and adapted for local norms in order to ensure that stakeholders can communicate effectively and with minimal barriers (e.g., financial, cultural, literacy restraints etc.)
- **Responsiveness:** Engagement should help the company understand and respond effectively to issues as they emerge
- **Documentation:** Engagements to be documented for future reference in order to ensure that the company can respond appropriately and to support transparency of engagement
- **Grievance Mechanisms:** Grievance mechanisms should be incorporated into the engagement process in order to allow for open communication of issues from stakeholders and enable company to proactively manage critical issues

One striking feature of the construct of community involvement and development is the emphasis on proactive engagement by businesses and other organizations with the individuals and groups within the communities that the organization operates, either as a resident of the community (e.g., the area in which the organization maintains its principal

¹ GRI 413: Local Communities 2016 (Amsterdam: Global Sustainability Standards Board, 2016).

² Corporate Social Responsibility Processes and Practices Manual: Operating Guidelines (Africa Oil Kenya B.V., July 2015).

³ Id.

offices), as a vendor of products that are commonly used within a community or as a consumer of natural resources that are available in the community. Businesses should not simply make their own judgments and decisions about what is best for the communities in which they operate but instead should take the time, and invest the resources, necessary to establish a framework for continuous engagement with the communities in order to better assess the needs and expectations of the community and select and launch projects and initiatives that will have the greatest positive impact on community and generate reputational advantages for the organization.

Identification and engagement of stakeholders in the community regarding the impact of the organization's activities is certainly a fundamental part of community involvement and development; however, ISO 26000 stresses that organizations must act with sincerity and demonstrate that they value their communities and that they recognize their role as stakeholders in the community with shared common interests. In other words, an organization needs to consider itself as being part of, and not separate from, the community in which it operates as it develops its approach to community involvement and development. As described by ECOLOGIA, “[e]very business is a stakeholder in its community; it depends on the community and also affects its development”.⁴ The importance of authenticity cannot be understated and organizational representatives, from the directors and members of the executive team at the top down to the lowest levels of the organizational hierarchy, need to be mindful of how they interact with the community in both formal and informal settings. A chance encounter between a mid-level manager wearing a jacket with the company's logo and a community member in a restaurant can be just as impactful a presentation by the CEO to the town council.

Businesses, especially larger firms, are used to dictating the terms of engagement with their commercial partners and stakeholders; however, effective community engagement by organizations means acknowledging and accepting the influence of the unique historical, cultural, religious, social, political and economic characteristics of the community and overcoming the challenges created by differing and conflicting interests among the other stakeholders in the community. ISO 26000 emphasizes that organizational social responsibility with respect to community involvement and development means recognizing and having due regard for the rights of community members to make decisions in relation to their community and thereby pursue, in the manner they choose, ways of maximizing their resources and opportunities. Organizations must also appreciate that the value of their contributions will be enhanced by working in partnership, and sharing resources, efforts and experiences, with other community stakeholders.

Definitions and Descriptions of Community Engagement and Involvement

Community engagement does not lack for definitions and interpretations. For example, according to the Queensland Government in Australia, the term “community engagement” typically refers to the process of involving people from a specified

⁴ Handbook for Implementers of ISO 26000, Version Two (Middlebury, VT: ECOLOGIA, 2011), 32.

community in the development and implementation of decisions that affect them. Communities can include people who identify with a defined geographical area (“communities of place”) and/or people who share a particular experience, interest or characteristic (“communities of interests”, such as young people, older people, people with a common religious or cultural background, or people with disabilities).⁵ The Center for Disease Control and Prevention described community engagement as: “... the process of working collaboratively with and through groups of people affiliated by geographic proximity, special interest, or similar situations to address issues affecting the well-being of those people. It is a powerful vehicle for bringing about environmental and behavioral changes that will improve the health of the community and its members. It often involves partnerships and coalitions that help mobilize resources and influence systems, change relationships among partners, and serve as catalysts for changing policies, programs, and practices.”⁶

Community engagement is sometimes referred to as “participation” or “involvement”. ISO 26000 described “community involvement” as being “an organization's proactive outreach to the community” and noted that organizations should seek involvement with their communities as a means for familiarizing themselves with community needs and priorities so that the organization’s development plans are compatible with those of the community and society; preventing and solving problems; fostering partnerships with local organizations and stakeholders; and aspiring to be a good organizational citizen of the community.⁷ Community involvement includes participation and support for civil institutions and interaction with networks of groups and individuals that constitute civil society. However, while involvement and engagement are important, it is not sufficient in terms of satisfying requirements and expectations of organizations with respect to environmental and social responsibility and organizations remain ultimately responsible for the environmental and social impacts of their actions.

As organizations look to figure out the best way to get involved in their communities they need to be mindful that there are many different types of groups, both formal and informal, that can contribute to development and which should be considered by organizations as they formulate their plans for activities in the community. ISO 26000 pointed out that one of the most common methods for community involvement is participation in forums established by local authorities and residents' associations or by creating such forums. These forums providing a comfortable level of formality that aligns with many of the skills and experiences of organizational members involved in the community development process. However, organizations cannot ignore the influence of informal groups such as traditional or indigenous communities, neighborhood associations or Internet networks and these groups create special challenges in terms of access and being sensitive to their unique cultural, social and political rights.

⁵ Community Engagement Toolkit for Planning (The State of Queensland Australia: Department of Infrastructure, Local Government and Planning, August 2017), 7.

⁶ Principles of Community Engagement (Second Edition) (Center for Disease Control and Prevention, June 2011). 3, http://www.atsdr.cdc.gov/communityengagement/pdf/PCE_Report_508_FINAL.pdf

⁷ International Organization for Standardization, ISO 26000: Guidance on Social Responsibility (Geneva, 2010), 63.

The related actions and expectations of organizations with respect to community involvement mentioned in ISO 26000 include⁸:

- Consulting representative community groups in determining priorities for social investment and community development activities, with special attention being given to vulnerable, discriminated, marginalized, unrepresented and under-represented groups to involve them in a way that helps to expand their options and respect their rights
- Consulting and accommodating communities, including indigenous people, on the terms and conditions of development that affect them, with consultation occurring prior to development to ensure that any organizational actions are based on complete, accurate and accessible information
- Participating in local associations as possible and appropriate, with the objective of contributing to the public good and the development goals of communities
- Maintaining transparent relationships with local government officials and political representatives, free from bribery or improper influence
- Encouraging and supporting people to be volunteers for community service
- Upholding the rule of law and contributing to policy formulation and the establishment, implementation, monitoring and evaluation of development program in a manner that respects the rights and has due regard for the views of others to express and defend their own interests

Core Principles of Community Engagement

The State of Queensland Australia, in its comprehensive guide for governmental entities on public participation and community engagement for planning and implementation of development projects, provided a set of core principles of community engagement that can be adopted for use by all types of public and private organizations⁹:

- **Engagement focuses on the best interests of the community:** Engagement should be undertaken in the best interests of the whole community, rather than of any individual person or group.
- **Engagement is open, honest and meaningful:** Engagement should draw the attention of the community to all relevant information, the purpose and general effect of the proposed plan/changes and the specific details, and the community should be provided with genuine opportunities to participate in/contribute to the plan-making process and should be kept informed of the proposed plan/changes and its implications and any amendments during the process.
- **Approaches to engagement are inclusive and appropriate:** Engagement must be inclusive, appropriate to the needs of the community, and commensurate with the scale and complexity of the proposed plan/changes. The organization should reach

⁸ Id. at 64.

⁹ Community Engagement Toolkit for Planning (The State of Queensland Australia: Department of Infrastructure, Local Government and Planning, August 2017), 9-10.

out to and encourage the community to be involved in discussing planning and development issues that affect their lives, making sure to seek out diverse voices and perspectives. The organization should identify and address potential barriers to community input, while being open with the community about any budget constraints, and should make every effort to implement a mix of qualitative and quantitative engagement methods that reach the greatest number of community members, gather a diversity of opinions and make it easy for community members with specific needs to participate (e.g. language, people with disabilities, older people, and the young).

- **Information is timely and relevant:** The organization should ensure that the community is provided with information in a timely manner which allows sufficient time for the community to consider information and make a meaningful contribution to the planning and assessment process for a program or initiative before decisions are made. Organizations need to launch engagement early in the planning process and set aside sufficient time to listen to community members and address their concerns. Organizations also need to be prepared to be flexible and change course in response to the dynamics of the engagement process.
- **Information is accurate, easy to understand and accessible:** Community members should be confident that they will have easy access to information that is accurate, easy to read and easy to understand; tailored to the community, where necessary, in language and style; and in a form that appeals to the intended audience. The organization needs to provide community members with clear instructions about how submissions from the community should be made and community members should understand how their submissions will be reviewed and used and the general timeframe before decisions will be made by the organization.
- **Decision-making is transparent:** The engagement process should be undertaken with the stated objective of making decisions in a manner that is open and transparent. The organization should be prepared to provide community stakeholders with reasons for the decisions made by the organization and discuss with individual submitters how their submissions were taken into account.

IAP2 Core Values for Public Participation

The International Association for Public Participation (“IAP2”) (<https://www.iap2.org/>) is an international association of members who seek to promote and improve the practice of public participation/public engagement in relation to individuals, governments, institutions, and other entities that affect the public interest in nations throughout the world. The IAP2, with broad international input, developed a set of core values for the practice of public participation that cross national, cultural and religious boundaries and which organizations can reference in developing their own community engagement processes in order to make better decisions that reflect the interests and concerns of potentially affected people and entities¹⁰:

¹⁰ <https://www.iap2.org/page/corevalues>

- Public participation is based on the belief that those who are affected by a decision have a right to be involved in the decision-making process
- Public participation includes the promise that the public's contribution will influence the decision
- Public participation promotes sustainable decisions by recognizing and communicating the needs and interests of all participants, including decision makers
- Public participation seeks out and facilitates the involvement of those potentially affected by or interested in a decision
- Public participation seeks input from participants in designing how they participate
- Public participation provides participants with the information they need to participate in a meaningful way
- Public participation communicates to participants how their input affected the decision

Ethical Conduct of Participants in the Engagement Process

Effective community engagement must be built on a sense of trust between the company and the members of the community and engagement should be carried out in a manner that conforms to recognized standards of professionalism and ethical conduct. In fact, the IAP2 has developed a Code of Ethics for Public Participation Practitioners that is intended to serve as a guide to the duties of public participation practitioners and ensuring the integrity of the public participation process. Among the guiding principles in the Code are enhancing the public's participation in the decision-making process and assisting decision-makers in being responsive to the public's concerns and suggestions; building trust and credibility for the process among all the participants; carefully considering and accurately portraying the public's role in the decision-making process; encouraging the disclosure of all information relevant to the public's understanding and evaluation of a decision; ensuring that stakeholders have fair and equal access to the public participation process and the opportunity to influence decisions; and ensuring that all commitments made to the public, including those by the decision-maker, are made in good faith.¹¹

Benefits from Community Engagement

While community leaders and members may not always be pleased to hear that an organization is considering a particular project or initiative, they generally will appreciate the opportunity to meet with the organization, and one another, to discuss concerns; expand their understanding, and the organization's understanding, of the relevant issues; and share experiences and ideas. When properly conducted, the community engagement process promises to provide benefits and better outcomes for both the organizations and the communities with which they are engaged. In general, community engagement allows all parties to identify the concerns, risks, opportunities, options and potential solutions that surround a particular issue or a proposed project or initiative likely to have

¹¹ <https://www.iap2.org/page/ethics>

an impact in the community. Benefits to all involved parties from community engagement might include¹²:

- Better decisions about projects and initiatives including the quality of services and other contributions provided in the community by the organization
- A better understanding of the day-to-day experience of people in communities
- Better relationships between the community and the organization
- Community awareness and understanding about an issue
- Community buy-in and higher levels of community ownership
- Greater community support for, and more effective, implementation of the project or initiative
- An opportunity to determine what will work in reality and what will not
- A mechanism for feedback/evaluation on the organization's existing community projects or initiatives
- Improved communication pathways, such as the use and further development of community networks
- Opportunity to develop individual and community capacity and shared understanding of both issues and potential solutions
- Legitimization of decisions around controversial issues
- Mutual learning and discover of new ideas and expertise
- Reduced conflict within stakeholder groups because individuals and communities can hear and understand each other's points of view, leading to consensus

Organizations and members of the community can also use the engagement process as a catalyst for increasing awareness and understanding on both sides about sustainability issues and challenges as they relate to the community and the operational activities of the organization in the community. For example, discussions in the context of a proposal for developing a new facility, or expanding or upgrading an existing facility, should include exchanges of information and opinions regarding preservation and protection of open space and the environmental impacts of operations at the facility and the proposed development and construction work. Community members join the engagement process for a number of reasons; however, in general they do so because they have a personal interest in the project or issue and welcome the opportunity to voice their opinion and meet other members of the community that share their passions and interests. Many community members participate because they have a strong aspiration to create meaningful changes in their communities. The act of engagement on a single project is often the first step to a broader and sustainable involvement in community policies.

In addition to the above-listed benefits, community engagement can be extremely valuable to the organization in the following ways¹³:

¹² Community Engagement Toolkit for Planning (The State of Queensland Australia: Department of Infrastructure, Local Government and Planning, August 2017), 7-8.

¹³ Id. at 8.

- The organization can make better decisions when developing and implementing community programs and initiatives
- The organization can gain a better understanding of the day-to-day experiences of people in their communities, and their appreciation of their local amenity and heritage
- The organization can develop a foundation for better and sustainable relationships with key stakeholders in the community
- The organization can secure “buy-in” from the community for the project or initiative and enjoy higher levels of community support as a result of community members feeling they have an ownership stake in the success of the project or initiative
- The engagement process should create an efficient and reliable communication mechanism for obtaining feedback from the community regarding decisions made during the planning and implementation phases
- Organizational personnel involved in the engagement process will have opportunities to share their own ideas and develop their individual capacities and skill sets in ways that will benefit the community project or initiative and ability to take on other roles for the organization

The Network for Business Sustainability (nbs.net) observed that the benefits of community engagement to businesses can include better decision making based on the knowledge collected from the community and understanding the community’s concerns and goals; more legitimacy for the business in the eyes of the community due to the willingness of the business to hear community views and engage in constructive debate and conflict resolution before decisions are made; and better access to talented workers from the community who are more willing and eager to work for a company that has demonstrated its commitment to being a “good citizen” of the neighborhoods in which the workers and their families live, shop, go to school and otherwise go about their day-to-day activities.¹⁴

Critical Success Factors for Effective Community Engagement

Recommendations regarding the key factors that organizations should consider when planning for community engagement activities include the following: have a purpose for the engagement in mind at the outset and be clear about what the engagement process is intended to achieve; understand the context within which the engagement process will be carried out, which means paying attention to the needs and character of the community; engagement is about people and effective engagement begins with identifying the community members who should be involved, what their needs and concerns might be and what support or incentives might be required in order to ensure they participate; select the engagement tools and methods that are most appropriate for the planned level of engagement and make sure they are appropriate in the specific context; and establish

¹⁴ Engage Your Community Stakeholders: An Introductory Guide for Businesses (Network for Business Sustainability, 2012), 3.

the goals and overall objectives for the engagement process in advance.¹⁵ When launching an engagement process an organization needs to be mindful of insights from exhaustive research regarding engagement that show that there are usually persons and/or groups that tend to dominate the conversation and other groups that are continuously underrepresented and must be coaxed into the process. In other words, if the engagement is conducted through public meetings there may be a full slate of speakers drawn from the “usual suspects” but long meetings does not necessarily mean that everyone who should be heard has participated.¹⁶ In particular, organizations may need to consider different methods for engaging with various ethnic groups and/or groups congregated in a particular geographic area in the community. Technology, including the Internet, has created new methods for engagement; however, organizations need to be careful when deploying technological tools that they do not create barriers to participation.

Effective community engagement is a skill that must be learned and continuously practiced. While people inside the organization may have talents for communicating and being empathetic to the concerns of others, these general traits need to be supplemented by specific training on how to listen and analyze, respond, facilitate resolution of conflicts, promote productive behaviors and promote positive behavioral changes. Resources for developing effective community engagement and managerial skills are widely available from organizations such as The Community Roundtable and organizations should be prepared to train their engagement teams before they begin their involvement with the local community.¹⁷ Beyond training special support should be available when engagement involves working with community members who may have become disillusioned due to bad experiences in the past or who have fallen victim to “consultation fatigue” after too many prior meetings, forums and activities.¹⁸

Framework for Levels of Community Participation and Engagement

While community engagement is an often used phrase, the meaning in a particular situation depends on various factors and there are several different approaches that companies can take with respect to engagement on a particular project. The distinguishing factor is the amount of participation and involvement from the community. The most prominent and often cited framework for public participation and levels of community engagement has been developed by the IAP2, which identifies the following five levels of engagement, each one from top to bottom of the list below with increasing

¹⁵ Adapted from descriptions of the International Association for Public Participation’s Framework for Participation provided in “What is Community Engagement?” available from the Homes and Community Association at www.homesandcommunities.co.uk/community-engagement-toolkit.

¹⁶ Id.

¹⁷ For further information on the “50 Essential Skills in Community Management” developed by The Community Roundtable see <https://communityroundtable.com/community-careers-and-compensation/50-essential-skills-in-community-management/>

¹⁸ “What is Community Engagement?” available from the Homes and Community Association at www.homesandcommunities.co.uk/community-engagement-toolkit.

levels of participation and involvement by community stakeholders in the decisions that companies make regarding their participation in community affairs¹⁹:

- **Community Outreach and Education:** Activities at this level are focused on providing the community with honest, balanced and objective information to assist community members in understanding opportunities, problems, alternatives and/or solutions. The main goal is “to inform” and information dissemination is essentially a one way process intended as a starting point for more advanced dialogue and two-way communications. Outreach may be done using a variety of techniques such as newsletters, websites, information sessions, sustainability reports and exhibitions. Related activities are also essentially one way arm’s length transactions such as charitable donations and support of the community volunteering activities chosen by employees themselves as opposed to selections of groups and causes by the company.
- **Community Consultation:** Community consultation, discussed in more detailed below, is classical community engagement that seeks community information and feedback on analysis, alternatives and/or decisions to be made by the company regarding its actions in the community. Consultation is often required as a matter of law in that governmental approval of a project may be conditioned upon demonstration that the applicant has invited community participation and considered community feedback before finalizing its proposal, although the company is not obligated to make changes in response to community input. Consultation involves structured activities such as focus groups, surveys and public meetings. Consultation occurs after, or as part of, the education process at the level above and seeks answers from the community to issues that have been identified and explained during the education process. Community consultation forges stronger connections between companies and their community stakeholders.
- **Community Involvement:** While community consultation is designed to collecting information from the community about issues and prospective projects without a firm commitment to formally take community views into account, community involvement explicitly brings the community into the process in order to ensure that their concerns are considered before decisions are made. With community involvement communication is participatory with information flowing both ways and various groups throughout the community sharing information with one another. While companies practicing community involvement are not required to make changes that are advocated by community members, they are expected to report to the

¹⁹ Adapted from descriptions of the International Association for Public Participation’s Framework for Participation provided in “What is Community Engagement?” available from the Homes and Community Association at www.homesandcommunities.co.uk/community-engagement-toolkit and Community Engagement Toolkit for Planning ((The State of Queensland Australia: Department of Infrastructure, Local Government and Planning, August 2017), 8. Other names for specific levels of engagement are used in different frameworks; however, the five levels described in the text provide a widely accepted reference point. For example, the Network for Business Sustainability identified three broad types of engagement: community investment, which is similar to community outreach as described in the text; community involvement, which is similar to community consultation described in the text; and community integration, which is similar to community collaboration described in the text. See Engage Your Community Stakeholders: An Introductory Guide for Businesses (Network for Business Sustainability, 2012), 4.

community on how community feedback influenced their decisions and by providing such feedback it is hope that the viability of the project will be enhanced by a sense of increased cooperation between the company and the community. Techniques used in connection with community involvement include workshops and deliberative polling.

- **Community Collaboration:** Community collaboration involves partnering with the community in each aspect of the decision including the development of alternatives and the identification of the preferred solution. When companies truly collaborate with community members they are sending a signal that they want and need help from the community in order to formulate solutions to the targeted issues and that reasonable community suggestions will be incorporation into the decisions about the design and implementation of community projects. Community collaboration is participatory decision making that is based on face-to-face dialog with community representatives and individuals and groups within the community impacted by the project. Done well, communication collaboration builds a sense of partnership and trust on both sides. One example of community collaboration is the formation of a committee of community members, sponsored by the company, which will meet with managers and specialists from the company on a regular basis to come up with a solution to a problem raised by the community, such as the adverse impact of emissions caused by the company's manufacturing process. The committee would have access to the company's emissions data and the ability, with the financial support of the company, to draw outside experts into the discussion to help find better ways to measure the problem and design projects that would ultimately lead to a cleaner and less toxic manufacturing process.²⁰
- **Community Empowerment:** As the descriptor makes clear, this highest level of community participation and involvement places the final decision making responsibility in the hands of the community. In order for community empowerment to be effective and viable a substantial amount of time and effort must be invested in building community capacity and highly developed local structures that can effectively partner with one another and with the company or companies that are sponsoring the project. An example of such a structure would be a community development trust.

Guide to Community Consultation

Among the five levels of community engagement mentioned above it is fair to say that community consultation is extremely common and should be considered in some form for almost any community project an organization is considering. While the results of the consultation process are not binding on the organization, it increases the likelihood that a project will be accepted and understood among community members and that the assets and resources of community stakeholders will be available for leveraging when and if the project commences. The consultation process, which also includes dissemination of information (i.e., community outreach and education), allows the organization to provide community stakeholders with a clear idea of the organization's vision for the project and

²⁰ Engage Your Community Stakeholders: An Introductory Guide for Businesses (Network for Business Sustainability, 2012), 4.

the results the organization seeks to obtain from sponsoring the project. By providing the community with such information and an opportunity to comment, even if community input does not substantially change the organization's decision and strategy, it will be easier to overcome resistance and often provides the organization with new ideas that actually improve the plan for the project that the organization may have initially proposed on its own. Community consultation can be usefully broken down into several steps including ensuring that the proposed project responds to the needs of the local community and that the organization understands the community context; defining the community consultation plan and choosing appropriate consultation goals and methods; recording the results of the consultation process; and providing feedback to the community on the information collected and how such information was handled by the organization during its decision making processes.²¹

Identifying Community Needs and Understanding Community Context

Organizations need to be sure that their community projects adequately address the acknowledged needs of community members. Specifically, projects must be selected and designed to respond to the particular identify, assets, resources and needs of the community and the only way to be sure that this occurs is by consulting with the members of the community to gain an adequate understanding of the community context and the local history, demographics, socio-economics, culture and languages. Consultation of provides the organization with the opportunity to overcome barriers to engagement and develop effective ways of communication. In addition, consultation to identify the most significant issues and concerns among community members can be then be used to make appropriate changes to initial project proposals so that they ultimately have the highest impact in the community.

In order to understand the community context the organization needs to learn more about the socio-economic and demographic characteristics of the area and the social, economic and environmental challenges or priorities in the community. It is also important to understand what is already happening in terms of improvement and development activities in the community in order to figure out where the organization's proposed activities will fit with the efforts of local government and other nonprofit organizations already operating in the community. Before investing much time in meeting directly with community members to gain a better understanding of these issues, organizations should survey economic, social and demographic data and analysis that should already be available through local government agencies and other organizations such as the chamber of commerce. Major nonprofit organizations may also be willing to share information and make members of their community development teams available for consultation on how best to develop an engagement process for a particular project.

²¹ A Guide to Engaging the Community in Your Project, <http://www.artscapediy.org/Creative-Placemaking-Toolbox/Who-Are-My-Stakeholders-and-How-Do-I-Engage-Them/A-Guide-to-Engaging-the-Community-in-Your-Project.aspx>

The type of data that should be collected will vary depending upon the issues that the organization is interested in addressing with its community-related projects and initiatives. For example, when the goal is to make an impact on income inequality and an absence of job opportunities in the local community it is important to gather measurements of education, equity and access to social resources, health and well-being, quality of life and social capital. A sampling of relevant data points would include unemployment rates, female labor force participation rates, median household income, relative poverty measures, and the percentage of the community population with a post-secondary degree or certificate. As the scope of the project narrows to a particular neighborhood or identifiable group within the community the information requirements can be customized and sufficient information on the current state of affairs should be collected to allow for establishment of baselines, goals and impact metrics.

One of the main goals of collecting and analyzing the data referred to above is compiling a list of the groups within the community that should be participating in the engagement and consultation process. In any given situation it is likely that engagement should be sought with resident associations, local merchant associations, local politicians, social service agencies, grassroots organizations and other community leaders. In addition, it is essential to seek out those community members who are likely to be impacted by the project who might not otherwise be adequately represented among the more typical and formalized groups referred to in the previous sentence. One of best ways to ensure that all relevant community stakeholders have been identified and profiled is stakeholder mapping, which begins with the creation of an initial list of stakeholders and then expands to include profiles of key stakeholders (e.g., positions, interests, alliances, potential impact on community projects and potential impact of community project on stakeholder group) and ratings of the priority levels of stakeholders. The profile for each of the key stakeholders should include their specific concerns and identify the issues that the organization will need to address strategically during the engagement process.²²

Developing the Community Consultation Plan

Once the targets for the consultation process have been identified, attention can turn to developing the consultation plan and the selecting the activities and tools for the consultation process. When developing the consultation plan it is important to keep the following goals and objectives in mind²³:

- Engage community members in the development of a strong shared vision
- Inform and educate the public about the proposed project
- Bring to life the mission/vision/values of the project
- Engender a sense of community ownership, pride and stewardship of the project

²² Corporate Social Responsibility Processes and Practices Manual: Operating Guidelines (Africa Oil Kenya B.V., July 2015).

²³ A Guide to Engaging the Community in Your Project, <http://www.artscapediy.org/Creative-Placemaking-Toolbox/Who-Are-My-Stakeholders-and-How-Do-I-Engage-Them/A-Guide-to-Engaging-the-Community-in-Your-Project.aspx>

- Create excitement around opportunities for the community to use and participate in the project and foster a sense that the project will be an anchor of community development
- Create strong relationships between the organization and the local community
- Seek champions and an ever-expanding circle of friends/supporters for the project
- Build and maintain momentum for the project

The consultation plan should set out the actions that the organization will be taking in order to manage and effectively engage key stakeholders (e.g., inform, consult closely, involve in decisions etc.), the planned frequency of engagement and the members of the engagement team. The consultation plan, as well as the stakeholder map discussed above, should be shared throughout the organization and used as a tool to institutionalize information regarding the organization's stakeholders and make it readily available to new hires and for use in internal management meetings. The consultation plan and stakeholder map should be updated regularly, no less frequently than monthly, and should incorporate all relevant information relating to incidents that occur during the course of the engagement process.²⁴

Organizations will need to rely on a range of engagement and consultation methods, each of which is designed to serve a specific purpose and elicit a particular form of engagement and feedback. For example, the most basic level of engagement, which should be undertaken as the foundation for consultation, is essentially one-way communications to *inform and educate* the community about the project and related community issues. In general, these communications should be designed to share the vision, values and goals that inform the design of the project and the organization's future operations in the community, keeping the community up to date on the process and progress of the project's development and providing information to community members regarding opportunities for further consultation and participation. Some of the tools and methods that are commonly used at this stage include newsletters and flyers; information sessions and town hall meeting; information open houses at the organization's offices and/or the proposed site of the project; e-bulletins and social media updates; and community events.²⁵

Events and meetings are an important part of any engagement and consultation process and the consultation plan should include a schedule of consultation events and related communications established with reference to milestones in the project planning process and other activities in the community that either complement or potentially conflict with the schedule. Some of the questions to ask and answer with respect to events and meetings include the following²⁶:

²⁴ Corporate Social Responsibility Processes and Practices Manual: Operating Guidelines (Africa Oil Kenya B.V., July 2015).

²⁵ A Guide to Engaging the Community in Your Project, <http://www.artscapediy.org/Creative-Placemaking-Toolbox/Who-Are-My-Stakeholders-and-How-Do-I-Engage-Them/A-Guide-to-Engaging-the-Community-in-Your-Project.aspx>

²⁶ Id.

- What languages are spoken in the community? How can the organization make sure that print and other forms of communication are accessible to as many community members as possible?
- What physical barriers might prevent community members from participating in engagement and consultation opportunities (e.g., persons with disabilities, seniors and other community members who might have difficulty accessing public transit to attend events and meetings) and how can these barriers be addressed by the organization?
- What is the best location for a meeting or event? Is it well known, accessible by public transit, physically accessible and in an area generally regarded as “safe”?
- What is the best time of day for a meeting or event? Organizations should always consider the difficulties that local community members with jobs outside the area will have in attending daytime events. The organization should also consider the needs of caregivers and parents, seniors, those reliant on limited public transit and others for whom daytime meetings or events might be more accessible.
- What is the tone of the organization’s meeting, event or other form of communication? Is it friendly, welcoming and informative or full of jargon and difficult to understand?
- What other established organizations in the community can help encourage people to attend and/or “host” a meeting or event?

As mentioned above, consultation is also the best way for the organization to ***gather input from the community and gain an understanding of community needs and issues***. This type of input improves the project development process and also allows the organization to gain the benefits of ideas that community members might have for the project. When obtaining input from the community it is a good idea to have a framework for the project already in mind so that community members can comment on specific elements, as opposed to simply providing more general feedback. Tools and methods commonly used at this stage include interviews, focus groups and roundtable discussions; small group workshops; e-mail and web surveys; and full day intensive meetings with local governmental officials and other community leaders.²⁷

In some cases, the traditional methods of consultation will be supplemented by additional steps to build a sense of commitment within the community to the success of the project. For example, the organization may select representatives from the community to participate in the governance of the project, perhaps serving as members of the board of directors or advisory council for the project. These actions demonstrate to the community that the organization is serious about proactive and meaningful community participation in the project and makes the community feel that it has a real ownership stake in the project. However, care must be taken in developing the process for selecting the community representatives, taking into account the community’s own political landscape. In addition to having community members serve on the governing board, organizations can provide for community representation on committees established to oversee certain operations and other activities of the project. Project memberships, if

²⁷ Id.

affordable and readily accessible to everyone in the community who is interested, may also be created. Taken together, integrating the community into governance and day-to-day management of projects builds an important sense of community stewardship.²⁸

Recording the Results of the Consultation Process

Consultation involves a lot of time and effort and it is important for the organization to take the time to organize the information collected during the consultation process into a detailed compilation of the activities that can be used as a model for subsequent consultation activities and serve as a record of community engagement prior to commencement of the project. The format of the compilation will depend on the specific consultation activities but organizations should generally plan on organizing minutes and others notes of community meetings, setting aside letters and e-mails exchanged during the consultation process and transcribing notes of interviews. Video and audio records of meetings and events should also be preserved; however, care must be taken to ensure that appropriate permissions from community members have been obtained for the use of their images.

Obviously one of the goals of the consultation process is to assist the organization in making decisions about whether or not to proceed with a project and, if the project does go forward, how much of the input from the community should be incorporated into the design of the project. The organization should schedule a specific window of time for considering all community input, perhaps extending the period in cases where further information is required on a specific issue or problem. While organizations rarely incorporate all of the ideas received from the community during the consultation process, it is important for the organization to seriously consider how the community is likely to measure the success and impact of the project. Good projects are aligned with the stated priorities of the community regarding needs and community views as to how the organization can best assist in addressing those needs. As such, one byproduct of the consultation process should be a set of impact measures that conform to the priorities of the community.

Reporting to Community Members on the Consultation Process

Once the decision is made a report on the use and impact of community input should be prepared and made available to community members in an appropriate manner. In many cases the report will be in the form of a list of the main findings from the consultation process that includes the results of surveys that the organization may have taken that provide valuable information for other groups within the community as well as a foundation for the organization's decisions. The report should also describe the final design of the project as approved by the governing board of the organization and the plans for implementation. While reports for small projects may be disseminated by e-mail and/or posted on the organization's website, projects for which the consultation process has been lengthy and extensive should be reported on in larger interactive events

²⁸ Id.

such as an open house or town hall event with the expectation that additional questions from the community will need to be addressed at that time.

Community Consultation and Operational Projects

Community consultation should not be limited to traditional philanthropic and community investment activities, but should be extended to include any operational decisions that are likely to have an adverse impact on social, environmental and/or economic conditions in the community. For example, the tidal wave of new technology companies in San Francisco and Palo Alto, many of which offer free in-house meals for their employees, has disrupted the local restaurant markets in those cities and made it difficult for smaller restaurants that had previously flourished to compete and stay in business. These small businesses are suffering due to the loss of business caused by employees staying in their offices to eat and are being asked to shoulder higher and higher costs of neighborhood infrastructure, including traffic, by local governments catering to the technology companies. Smaller restaurants are also seeing their leases terminated, rather than extended, at the end of their term by landlords eager to convert their space to more lucrative commercial office use. All this means that when companies are considering offering meals to their employees or adding more office space in a neighborhood with a history of community owned businesses they need to engage and consult with neighborhood groups.²⁹

A similar situation where the consultation process can be used to manage and, if possible, diffuse potential disharmony between the company and its community is when community groups have complained about how the company's operations have adversely impacted the environment surrounding the company's facilities. For example, certain types of business activities invariably generate noise and raise safety issues, even in the best of circumstances, and companies may need to address the concerns of community groups through an appropriate form of consultation process that allows the community to air its grievances and facilitates discussions between the company and the community on ideas that might mitigate the problem. Working through a facilitator the company and community leaders may be able to settle on practical short-term fixes, such as limiting certain activities that are particularly noisy and/or which disrupt traffic patterns, to a small and fixed window of time each day. At the same time, the company can commit to working on new operational methods that will, as time goes by, permanently reduce safety risks (and hopefully provide cost savings to the company).³⁰

When engaging in community investment activities and planning and launching for local projects, companies need to have a clear, predictable, and transparent process that is understood by all stakeholders to address issues that may arise such as establishing effective community engagement and grievance mechanisms, hiring local labor and

²⁹ For further discussion, see N. Perlothsept, "How Tech Companies Disrupted Silicon Valley's Restaurant Scene", New York Times (September 18, 2016), B1.

³⁰ Engage Your Community Stakeholders: An Introductory Guide for Businesses (Network for Business Sustainability, 2012), 4.

sourcing products and services from businesses in local communities. The activities within the process will vary depending on the stage of the investment; however, at each point the company should consider the appropriate steps with respect to planning and management, social impact assessment, engagement of community stakeholders, grievance mechanisms, identifying and executing specific community investment projects, local hiring and procurement and management systems and reporting.³¹

Planning and Management

Companies should create and staff a corporate social responsibility (“CSR”) field team to oversee all aspects of engagement with local communities and understand and manage community issues through consultations with key stakeholders, promotion of information flow between the company and the community and reporting to senior management to ensure that they understand emerging risks and concerns and allocate resources to address and mitigate any such risks. The CSR team should be led by a stakeholder engagement manager who will be responsible for managing team performance, leading engagement activities with all stakeholders, addressing day to day grievances that may arise, liaising with the leaders of the operations teams for operational projects that are being conducted in the community and managing local hiring and sourcing programs. Key members of the CSR team include community liaison officers (“CLOs”) and community development officers (“CDOs”).

In explaining how it used CSR teams, Africa Oil Kenya (“AOK”) described CLOs as representatives that are hired from the local community to act on behalf of the company to understand and manage community issues and relationships and promote communication between the company and the community. CDOs should also be hired from the local communities to assume responsibility for identifying, planning and implementing community development projects that meet the needs of community members and build trust between the company and the community. When companies are engaged in operational projects that involve significant numbers of local personnel, the CSR team may also provide “embedded”, or on-site, CLOs who work at the project site to ensure good labor relations between the company and local employees, thus contributing to the reputation of the company in the community. The roles and responsibilities of the CLOs, CDOs and members of the operations team should be carefully and clearly defined in the stakeholder engagement plan.³²

Social Impact Assessments

Every significant operational project should be preceded by a social impact assessment (“SIA”), which has been described as essential to understanding how operational activities may affect stakeholders and ensuring that appropriate management measures

³¹ Corporate Social Responsibility Processes and Practices Manual: Operating Guidelines (Africa Oil Kenya B.V., July 2015).

³² Id.

are put into place to minimize negative impacts.³³ The goals and purposes of an SIA, which is often conducted in parallel with an environmental impact assessment (“EIA”), is to develop a detailed understanding of socio-economic context and prioritized list of risks and potential impacts that may arise. With this information, strategies can be developed and implemented to mitigate and/or minimizing negative impacts. In those cases where negative impacts are unavoidable, the SIA is an important step in determining compensation that might be offered to adversely impacted members of the community. Some of the elements of an effective SIA include the following: it provides a comprehensive and detailed assessment of potential socio-economic risks to impacted communities as it relates to key operations; it is carried out by assessors that have demonstrated experience in conducting thorough SIAs; it provides detailed quantitative and qualitative information on the type and nature of actual and potential impact on communities; it prioritizes potential risks based on type, nature, significance and likelihood of impact; it helps to outline a clear stakeholder engagement plan; it generates stakeholder mapping and a list of stakeholders engaged along with contact information; and it informs grievance mechanism.

While every situation is different, it can generally be expected that a comprehensive SIA can extend for two to three months, thus requiring a high level of advance planning and coordination between the company’s CSR team, which should be primarily responsible for the SIA, and other parts of the organization focusing on the operational aspects of the proposed project. As mentioned above, the SIA can be conducted alongside the EIA in order to leverage available resources and minimize the repeat surveying of community; however, the determination of how and when the two assessments are carried out will depend on whether a single assessor team has the capacity to conduct both assessments to a high standard. As for the selection of the assessor team, it is essential to identify a qualified and reputable provider that can provide assurances that all of the necessary data will be captured and that the assessment report will be credible and readily accepted among community members. In order to ensure independence and competence, the selection of an assessment team should be made only after a rigorous RFP process has been completed under the supervision of the CSR team.

The SIA process involves several phases, beginning with determining the appropriate scope of the assessment in order to ensure that the most relevant data is captured and that the entire process flows efficiently. The assessment team should visit the area where the site where the planned operations project will be conducted in order to make a preliminary assessment of potential issues. Thereafter, attention should turn to a detailed collection of quantitative and qualitative data based on formal terms of reference that should have been developed while the assessment team was being selected and which lays out all the information thought to be necessary in order for the assessment to yield the required data. While the terms of reference can be based on the RFP, the final version should be carefully prepared with the assessment team to ensure that the parties are aligned as to the deliverables from the assessment process. Data can be collected in a

³³ Portions of the discussion of social impact assessments in the text are adapted from Corporate Social Responsibility Processes and Practices Manual: Operating Guidelines (Africa Oil Kenya B.V., July 2015).

variety of ways including surveys, observations, interviews and structured consultations with community members, and the intention should be to record the potential impacts of the project (i.e., which communities are affected, how many people and the nature of community dynamics). Where appropriate, such as when a proposed project is like to affect indigenous peoples and/or require potential relocation of communities, a separate human rights impact assessment should be conducted using terms of reference that have been customized to focus on human rights issues and risks.

Support for the assessment effort should be provided by both the CSR and operations teams, each of which have specific, albeit related, responsibilities during the entire process. Collaboration should begin at the RFP stage when the operations team informs the CSR team of the planned operational dates and activities and the CSR team uses that information to run the RFP process and develop the terms of reference that will provide the foundation for the assessment. With respect to determining the scope of the assessment, members of the operational team should be available for interviews and the operations team should make operational procedures and policies available to the assessment team for review. As the assessment moves forward to completion, operational team members should continue to be accessible to the assessment team and should review the final assessment report to verify data and gain familiarity with the key issues and impacts of the project and the proposed strategies for addressing those impacts during the project.

Once the collection of information through the SIA process has been completed, the results should be used to inform management decisions and operational activities. Specifically, the CSR team should identify strategies to implement recommendations for improving impact management, working with teams to implement new practices as required. The results of the SIA, including the strategies for implementation that have been selected, should be communicated to the members of the community and local governmental authorities in order to demonstrate transparency and support ongoing community engagement. An impact management plan should be developed and monitored on an ongoing basis as the project moves forward through formal impact monitoring systems, and members of the operations team should be responsible for communicating potential issues to the CSR team and participating in the monitoring and remediation process.

Engagement Activities

Engagement activities used by AOK in communities where it proposed to engage in seismic and drilling activities included establishing a Project Stakeholder Committee (“PSC”) with clearly defined roles, responsibilities and expectations to represent community interests and ensure that all critical voices are heard, including the traditionally marginalized and vulnerable.³⁴ Members of the PSC should be elected publicly in a transparent setting and the company should hold smaller meetings in the

³⁴ Corporate Social Responsibility Processes and Practices Manual: Operating Guidelines (Africa Oil Kenya B.V., July 2015).

areas from which elected members are from in order to observe how the member interacts with his or her peers and validate that he or she is indeed a fair and trusted representative of the community. In addition to the PSC and its activities, companies should plan out an engagement strategy that ensures that all segments of the community will be regularly contacted and given an opportunity to express their concerns and describe their needs and expectations from the company and its projects. Regular contacts with local government officials are also important.

Meetings with stakeholders during the engagement process should be carefully planned to ensure that community members are aware of the meeting and have access to the tools necessary to engage properly with the company. The company should be sure that each meeting includes updates of progress on addressing specific community issues, as well as the status of the underlying project. The proceedings of stakeholder meetings, including stakeholder issues and company responses, should be fully documented and records should be maintained of attendance and the information provided at meetings. Minutes and other reports of meeting should be made readily available for disclosure to all interested parties and should be reviewed and approved by the company and members of the PSC.

While the CSR team is responsible for organizing and conducting engagement activities, members of the operations team should be expected to encourage local stakeholders to participate in the engagement activities and operations team representatives should attend stakeholder meetings to provide status reports and assist in addressing questions that are directly related to events that occurred at project sites. The operations team should also provide the CSR team with reports on the dynamics of activities at the project site and any interactions between operations personnel and community members outside of the regular engagement process. One important area in which both the CSR and operations teams can contribute is ensuring that adequate health, safety and environment (“HSE”) safeguards are in place at operational project sites to protect local workers and members of the community who live and/or work in close proximity to those sites. Among other things, a community HSE program should include sensitizing community members to potential health and safety risks associated with operations and the materials that are being used at operational sites and implementing emergency procedures.³⁵

Grievance Mechanisms

Even in the best of circumstances, issues and problems will arise with stakeholders during the engagement process and it is important to anticipate these situations in advance by establishing appropriate grievance mechanisms as part of the stakeholder engagement plan with the input of stakeholder representatives who can inform the company about the most appropriate manner for addressing disputes in the community. AOK advised that the following key principles should be followed in preparing and implementing grievance mechanisms as part of the stakeholder engagement process: accessibility (i.e., stakeholders are aware of the grievance mechanisms and are able to access them without barriers such as language, finance, etc.); legitimacy (i.e., perceived

³⁵ Id.

as trustworthy and fair by stakeholder groups); predictability (i.e., provide a clear and known procedure which can be readily monitored and which is based on a time frame for each stage and clarity on the types of process and outcome it can (and cannot) offer); transparency (i.e., keep parties informed about progress and provide sufficient information about the process to build confidence in its effectiveness); equitability (i.e., ensuring that aggrieved parties have reasonable access to sources of information, advice and expertise necessary to engage in a grievance process on fair, informed and respectful terms); and rights comparability (i.e., ensuring that outcomes and remedies accord with internationally recognized human rights). Grievance mechanisms should be created based on strong dialogue with local communities and outcomes of grievance procedures should be documented for future reference.³⁶

AOK provided suggestions on how to implement effective grievance mechanisms, based on its experiences in communities in which it conducted significant operational projects. The first step is to consult with community leaders to identify grievance mechanisms that would be appropriate given local culture and norms. Once the mechanisms have been selected, the required tools (e.g., forms) should be developed and training should be provided to personnel who will be involved in the grievance processes. Once the grievance mechanisms are ready to launch, their availability should be communicated and promoted throughout the local community and various channels for communicating grievances should be created such as suggestion boxes located outside of the offices of the operational project team, communications through members of the project stakeholder committee, a dedicated voice mailbox for people to leave information and numbers and email. AOK recommended that a formal, reliable and transparent procedure for addressing grievance be created and maintained including acknowledgement and recording of all grievances, a commitment to provide feedback within a specified period and recording of all grievance resolutions that is shared regularly with leaders of both the CSR and operational teams and with community stakeholders. Responsibility for AOK's grievance mechanisms was given to the CSR team; however, the CSR team was encouraged to involve the operations team as needed in order to understand the nature of a particular grievance and implement resolutions.³⁷

Community Investment

One of the most important and impactful ways in which company can engage with the communities in which they operate is through community investment projects that are consistent with the company's overall CSR priorities and goals. Many companies launch community investment projects that are focused on improving the infrastructure in the community, which admittedly will like have business benefits to the company as well, economic development and providing opportunities for sustainability livelihoods to community members. There is no doubt that the universe of potential community investment projects will extend much farther than the available resources of any one company, therefore it is important for companies to approach community investment

³⁶ Id.

³⁷ Id.

decisions strategically and take into account the factors such as potential impact, sustainability, factors for success, the business case, budget and timeline and, of course, the relationship to the operation project.³⁸

Every community investment project is different; however, in all cases the company should begin the process by completing a social impact assessment of the local community in order to identify potential investment projects and the priority issues within the community that might be suitable for company involvement given its core competencies and other available resources. As part of the social impact assessment, the company should consult with local stakeholders on potential areas for community investment projects. During the consultation process, the company should be clear with community members about the criterion that the company will be applying to determine whether a proposed project is viable and make sure that community stakeholders understand that the company has limited resources and cannot support every project, regardless of how worthy it might be. Local stakeholders will often not have the resources and experience to submit formal proposals and the company's CSR team should assume responsibility for describing and analyzing potential projects based on the factors listed above so that further discussions can occur with stakeholders and senior management of the company, acting with input from the team conducted operational activities in the community, can make informed decisions about which projects to support. Once a project has been mutually agreed upon by the company and community stakeholders, documentation should be created that covers the company's proposed contributions and the roles and responsibility of the company, community participants and any implementation partners. Progress of each project should be regularly monitored and reports issued to senior management of the company and community stakeholders (reports can be free-standing and/or integrated into the company's other sustainability reporting activities). Assuming that companies have multiple community investment projects in operation at any given time, a database of all such projects should be maintained, updated and readily available for review by interested parties.³⁹

Local Sourcing and Hiring

One of the most effective ways to link operational activities and community investment and engagement is through sourcing and hiring of local labor and using local vendors for materials required for operations project. Success in this area depends on close cooperation between the CSR and operations team with respect to understanding the needs, budgets and schedule of the operations team and the operational project; articulating employment and business opportunities to community stakeholders in a transparent, specific and objective manner (e.g., letting stakeholders know that the expected number of people who will be hired is 20 rather than saying a large number of people will be hired); clearly communicating all relevant decision-making criteria and information regarding the process to community stakeholders to ensure transparency and accountability (e.g., preferences will be given to workers and suppliers in close proximity

³⁸ Id.

³⁹ Id.

to the operational project and then opportunities will be opened up to others at the county and then national levels); understanding local context and norms relating to employment, gender issues or decisions on hiring and consulting with local stakeholders regarding the appropriate process to follow; and drafting and signing contracts.⁴⁰

It will be important for the operations team to provide the CSR team with sufficient notice of operational requirements so that the CSR team has time to post job advertisements and circulate requests for bids on procurement opportunities. The operations and CSR teams need to collaborate on creating quality and quantity requirements for suppliers and hosting supplier forums at which the company's sourcing policies can be discussed with members of the local business community and information can be circulated regarding the company's supplier selection process.⁴¹ Local workers and suppliers should be trained regarding grievance mechanisms that are available to them in the event that they encounter problems while carrying out their relationships with the company. As with all other community engagement initiatives, progress with respect to local hiring and procurement should be carefully measured and reports should be issued internally and to community stakeholders. Local hiring and procurement is a dynamic process given that the needs of the company will almost certainly change as time goes by and the underlying operational project evolves.

Management Systems and Reporting

Community engagement is an important and continuously changing activity for every company and it is important to implement management systems and reporting mechanisms to keep track of progress and set and modify engagement strategies as time goes by. From a planning perspective, companies should have annual and quarterly engagement plans that include engagement visits and community consultations, community investment budgets and formal plans for coordination between the CSR and operational teams to ensure that the CSR team understands the timeline and needs from the operational side. Internal reporting and management systems allow for assessment of progress and seamless transfer of information throughout the organization and to new staff. One part of the internal management system should be a robust orientation program for people who are joining the CSR and ongoing training for all members of the CSR team. Reports summarizing community engagement activities should be prepared no less frequently than monthly to cover key achievements; goals for the next reporting period; emerging stakeholder issues to be monitored and mitigation strategies; data on local sourcing, employment and community investment/development projects; and grievances (number received, number resolved, analysis of trends). A records retention system for all documents, files and other materials related to the community engagement process should also be established.⁴²

⁴⁰ Id.

⁴¹ Id.

⁴² Id.

Case Study: Community Consultation and Engagement for Oil Exploration Projects

The elements of the community consultation and engagement process during an operational project that are discussed in the text are illustrated in the following paragraphs, which describe how Africa Oil Kenya recommended that its managers approach key CSR activities through the various stages of a typical exploration project: pre-seismic, seismic, pre-drilling and drilling.

During the pre-seismic stage the focus of planning and management activities should be on conducting comprehensive environmental and social assessments at least two to three months prior to any planned seismic activities and on initial stakeholder assessment, mapping and engagement planning. This is the stage where a substantial amount of time needs to be spent on engaging with community stakeholders beginning with the selection of a community liaison officer (“CLO”) and creation of a stakeholder engagement strategy and then continuing with specific activities including meetings with local administrators, town hall meetings, establishing a project stakeholder committee (“PSC”), designing grievance mechanisms based on the results of the assessments referred to above, implementing a stakeholder registry and stakeholder engagement log and preparing and coordinating with the operations team for the project on local hiring and procurement processes. The CLO and the local operations team should also be scouting for potential community development initiatives that can be carried out in conjunction with the exploration project.

This first stage also includes the launch of several ongoing management activities that should continue throughout all of the following stages of the exploration project including internal training of both operational and community engagement personnel, as required; establishment and maintenance of the stakeholder registry, engagement log and grievance mechanisms; regular reporting, no less frequently than monthly, to the management regarding key risks and issues; continuous outlining and updating of key responsibility and management responsibilities at all levels; and regular meetings between members of the community engagement and operations teams to ensure that relevant information is shared and activities are aligned.

The next stage of the exploration process is the seismic stage, which is the time that the company should be implementing recommendations from the assessments, providing any required training to the field team and ensuring that regular updates are being provided to management on key developments and progress. During the seismic stage there should be regular consultations with community stakeholders led by the CLO, meetings, no less frequently than quarterly, with company management and ongoing monitoring of stakeholder grievances with prompt reporting back to stakeholders on how their grievances are being addressed.

After the seismic stage has been successfully completed, the next stage is pre-drilling, which generally requires a new or updated environmental and social impact assessment and reconsideration of the original stakeholder mapping and engagement plan. Steps to be taken regarding community engagement at this stage are similar to those undertaken during the pre-seismic stage and include selecting a CLO, town hall meetings and other community consultations regarding new operational activities, updating the stakeholder engagement strategy and grievance mechanisms and coordination with the operations team for local hiring and procurement. With respect to community investment, this is the point where the company should be reviewing the impacts of past community investment initiatives, both independently and with stakeholders; soliciting input relating to additional community investment initiatives; and reviewing and updating its community investment strategy.

Finally, once drilling is about to commence the company needs to implement all of the recommendations collected during the environmental and social impact assessments and continue to provide required training and updates to the management team relating to key development and progress. Stakeholder consultations and monitoring and management of grievances should be ongoing through this stage, as should communications with the operations team regarding stakeholder issues. The drill stage marks the point of the highest commitment of the company to the operational activities in the community and this is the time that the company should be implementing the community investment activities that have previously been

identified, working in conjunction with key partners from throughout the community. Once the investment projects are up and running, they should be carefully monitored and regular assessments, no less frequently than quarterly, should conduct to measure their impact on the community.

Source: Corporate Social Responsibility Processes and Practices Manual: Operating Guidelines (Africa Oil Kenya B.V., July 2015).

Strategic Selection of Community Engagement Approaches

Organizations can choose from among multiple approaches to community engagement and will often be used two or different approaches at any given time with the same stakeholder. Selecting among community engagement approaches should be done strategically and based on guidelines that can readily be referred to in order to determine which approach (or collection of approaches) would be most suitable to a particular situation or project. According to the Network for Business Sustainability businesses should take a systematic approach to engaging with community stakeholders that includes getting to know the community (i.e., identifying stakeholders and their issues and expectations); choosing the most appropriate engagement strategy or strategies after prioritizing stakeholders and identifying the best ways to engage with each of them; planning the engagement process, which requires identifying specific engagement processes and techniques and managing the process; and making community engagement a permanent part of the businesses' presence in the community by sharing information and continuously improving.⁴³

The first step in community engagement should be identifying and prioritizing each of the groups, or stakeholders, in or related to the community that should or may wish to have a voice in the company's activities. Community stakeholders are, in effect, groups of individuals within the community who are linked in certain ways such as by issues (i.e., people concerned with the same community issue, such as public education or mass transportation); identity (i.e., people who share a set of beliefs, values or experiences related to a specific issue such as the environment or public health); interaction (i.e., people who are linked by a set of social relationships); and geography (i.e., people who live, work and/or shop in the same area within the community).⁴⁴ In any given community, the range of stakeholders will typically include neighborhoods, community development groups, environmental organizations, development organizations, citizen associations, non-governmental organizations ("NGOs"), local nonprofit organizations, local regulators and governmental officials, other businesses in the community, indigenous peoples and underrepresented groups in the community.⁴⁵

Putting a list of community stakeholders together for any particular company should begin with each of the categories described above and then the search should expand to include other groups or organizations that have already reached out to the company (or in

⁴³ Id. at 5.

⁴⁴ Id. at 3.

⁴⁵ Id.

communications published within the community via newspapers or the Internet) to provide ideas, seek support or make suggestions or complaints regarding a company activity. Actual past interactions between companies and community groups, and the topics of those interactions, provide valuable clues as to where future engagement activities should be focused. In addition, however, companies need to be careful about paying too much attention to the “squeaky wheel” in the community and ignoring the legitimate concerns of individuals and groups who are unable to put together a visible and effective public advocacy campaign with respect to their needs and interests. The company’s list of community stakeholders should include the name of the stakeholder group and its mission, the contact person for the stakeholder and personal and professional information on other key leaders within the stakeholder, the known and anticipated issues and expectations of the stakeholder related to the company and any history of communications and/or other interactions between the company and the stakeholders (e.g., conflicts, partnerships etc.).⁴⁶

A company’s initial list of past, current and potential community stakeholders will generally be quite lengthy and although extensive community engagement can provide significant benefits to a company there are obviously limits in terms of time and other resources. As such, companies need to prioritize their community stakeholders by scoring each of them on a scale of one to five (one being “strongly disagree”; three being “neutral” and five being “strongly agree”) on the following fundamental factors⁴⁷:

- The stakeholder’s issue/expectation is legitimate
- The stakeholder’s issue/expectation may be considered legitimate by other stakeholders (e.g., the media, NGOs, politicians, insurers, investors, distributors etc.) regardless of whether or not the company believes it to be legitimate or material
- The stakeholder can directly impact the company due to its size, political and/or economic influence, business relationship or otherwise
- The stakeholder represents a vulnerable and/or underrepresented group within the community
- The stakeholder’s issue/expectation is directly related to the company’s current core business activities and/or reasonably anticipated new strategic business activities
- The stakeholder’s issue/expectation is directly related to the company’s announced mission, goals and objectives with respect to community engagement
- The stakeholder’s issue/expectation is directly related to the activities of the company’s suppliers or sector

Once the list of potential community stakeholders has been prioritized, attention turns to selecting the most appropriate and potentially effective engagement strategy for the listed stakeholders, beginning with those stakeholders that have been identified as “high priority”. This is the point in the process where companies should choose from among the levels of community engagement recommended by various experts, such as the International Association for Public Participation (“IAP2”) framework that is described

⁴⁶ Id. at 7.

⁴⁷ Id. at 8.

elsewhere in this chapter or the following three options that have been endorsed by the Network for Business Sustainability⁴⁸:

- Community investment (“giving back”), which is similar to community outreach and education in the IAP2 framework and features one-way communications with many community partners and occasional interactions all intended primarily to transfer information from the company to the community using a process controlled by the company. Typical activities include information sessions, charitable donations and employee volunteering.
- Community involvement (“building bridges”), which is similar to community consultation in the IAP2 framework and features two-way communications with many community partners and repeated interactions all intended primarily to transfer information from the community to the company using a process controlled by the company. Typical activities include dialogue, consultation and cause marketing.
- Community integration (“changing society”), which is similar to community collaboration in the IAP2 framework and features two-way communications with a select few of the highest priority community stakeholders and frequent interactions to jointly generate new information using a process in which control is jointly shared by the parties. Hallmarks of this type of engagement include joint project management and joint decision making.

According to the Network for Business Sustainability, settling on the most appropriate engagement strategy for a particular stakeholder depends on answering the following⁴⁹:

- Are the stakeholder’s expectations well understood and accepted by the company?
- Does the stakeholder consider itself to be poorly understood by the company?
- Is the stakeholder’s perception of the issue inaccurate or in need of improvement?
- Has the stakeholder expressed a desire for engagement or is likely that the stakeholder would welcome engagement if approached?
- Have the reasonable expectations of the stakeholder not been met to the stakeholder’s satisfaction?
- What is the current potential for deep collaboration with the stakeholder and would the stakeholder be interested in deeper collaboration?
- What is the current availability/potential for an economically viable solution to the most pressing concerns of the stakeholder that can also be easily publicized?

In general, community investment, outreach and education is likely the best engagement strategy for a particular stakeholder when the stakeholder’s expectations are understood and accepted by the company, the stakeholder’s perception of the issue is inaccurate or could be improved, the potential for collaboration is low and/or an economically viable solution exists and needs to be publicized. This basic level of engagement makes sense when a stakeholder is confused about an issue or an economically viable solution to an

⁴⁸ Id at 4 and 9.

⁴⁹ Id. at 9-10.

issue is already available and there is less need for the discovery phases associated with the other two levels of engagement. In addition, companies may offer information and education as a simple way to begin breaking down mistrust of the company by the stakeholder and lay a foundation for more extensive engagement once the stakeholder has more information about the company and its community-related objectives.

Best practices with respect to community investment, outreach and education include:

- Provide clear, instructive information, accessible to all stakeholders
- Reach the greatest number of stakeholders by using a variety of information and communication techniques
- Consider local realities and use language that will be understood by communities
- Be transparent and present factual information
- Explain the uncertainties and limits of the project; present several different scenarios
- Be open to feedback

Common techniques include brochures and flyers; advertisements; information kiosks; press releases; newsletters; door-to-door; information sessions and financial support.⁵⁰

Community involvement and consultation is likely the best engagement strategy for a particular stakeholder when the stakeholder's expectations are not well understood by the company, the stakeholder considers itself to be poorly understood, the potential for cooperation is average or higher and/or an economically viable solution seems possible. The highest level of engagement, community integration and collaboration, is not feasible unless the company and the stakeholder understand and accept each other's expectations regarding the relationship based on two-way consultation the involves negotiation and clarification of expectations on both sides. Companies cannot, and should not, assume that they know exactly what each stakeholder expects from the company with respect to its activities in the community.

Best practices with respect to community involvement and consultation include:

- Set up forums where stakeholders can express their views on the project and/or the company's activities
- Create informal places where the company can discuss stakeholders' concerns with them
- Guide the discussion in order to facilitate dialogue and create a synergy among participants
- Encourage stakeholders to participate within a climate of creativity, frankness and spontaneity

Common techniques include surveys; studies; interviews; consultative committees; interactive websites; public hearings and neutral forums.⁵¹

⁵⁰ Id. at 11.

Finally, community integration and collaboration is feasible when the expectations of the particular stakeholder have not been met to their satisfaction using other engagement strategies, the stakeholder believes that it can gain from integration and collaboration and the potential for collaboration is high and an economically viable solution is not currently available or is problematic. The integration and collaboration strategy is particularly effective when the object is to develop an economically viable solution to a community issue and the parties are both highly motivated and able to bring unique resources and experiences to the table in order to address and resolve the issue and develop a long-term strategy for implementing the solution (e.g., a new community organization dedicated to the issue and solution initially sponsored by the company and co-managed by representatives of community stakeholders).⁵² Not surprisingly, engagement at this level should be attempted sparingly given that it will require significant investments of time and resources and carries more risk along with opportunities for real change and impact.

Best practices with respect to community integration and collaboration include developing routine that engage the community in the company's strategic planning processes and make sure employees are familiar with them and integrating solutions by concerned stakeholders into the company's decision making processes. Common techniques include project management; strategic local or regional partnerships; sector discussion groups; joint brainstorming; conflict resolution and work groups.⁵³

In order to plan effectively for engagement and balance scarce resources companies should prepare and use a chart for project management planning that includes the following information for each of the stakeholders that are to be engaged with in some way during the planning period⁵⁴:

- The name of the stakeholder group and its mission
- The contact person for the stakeholder and personal and professional information on other key leaders within the stakeholder
- The known and anticipated issues and expectations of the stakeholder related to the company
- Any history of communications and/or other interactions between the company and the stakeholders (e.g., conflicts, partnerships etc.).
- Relative prioritization of the stakeholder among all other company stakeholders
- Engagement strategy or strategies (i.e., investment, involvement and/or integration)
- Potential practices or techniques for engagement

⁵¹ Id. at 11.

⁵² The Network for Business Sustainability described a hypothetical situation of a Latin American mining company seeking to address water quality near its mine with the assistance of local stakeholders and explained that local stakeholders were eager to get involved and share their extensive knowledge of local water systems to address a complex issue. In that instance, a potential output of the integration and collaboration process would be the joint creation of a participatory management board by the company and the community to promote shared responsibility for water quality. Id. at 9.

⁵³ Id. at 11.

⁵⁴ Id. at 13.

- Performance measures
- Resources (staff and budgetary)
- Timeline
- Actions taken to date
- Future actions for engagement

Community engagement is important for a specific project; however, it should not be a “one off” and companies should be prepared to design and implement a permanent engagement process with the stakeholder that facilitates continuous sharing of knowledge and improvement. Knowledge about the engagement process should be shared inside the company, and in the community, in order to develop capacity among all involved persons. Internal knowledge sharing, including creation of permanent records of prior engagement, can be tremendously valuable as people move on so that their experience is not totally lost and that there is continuity in the relationships with key stakeholders. Knowledge sharing also bakes in the practice of keeping the community informed so that there is always a current foundation for consultation and integration. Finally, for key stakeholders there should always be a plan for regular review of the relationship in order to measure progress, establish new goals and integrate new engagement techniques.⁵⁵

Checklist for Developing a Community Engagement Plan

Much has been written about community engagement and the following list of questions adapted from a checklist prepared by the State of Queensland Australia relating to community engagement by local governments captures the steps that most commentators recommend must be considered by companies whenever they are designing and implementing a community engagement process for a particular project⁵⁶:

- ***Has the purpose of the engagement been clearly defined?*** This involves explaining the reason input or participation is necessary (i.e. what planning problem is the community helping to resolve or what decision does the company need to make). This process also involves defining the stakeholders affected and the decision-makers.
- ***Has the scope of the engagement project been clearly defined?*** This involves explaining the decisions that need to be made, what the engagement process will focus on, and what the company is seeking input on. This process also involves defining what is non-negotiable (i.e. what the community cannot influence) and what is negotiable (i.e. what the community can influence). Internal engagement personnel need to be involved at this point to provide input on whether the proposed approach is appropriate and whether external engagement resources are required.
- ***Have the objectives for the engagement process been clearly defined?*** Engagement objectives could relate to a range of potential outcomes including building community capacity to understand the relevant issues; building stronger relationships with the community and other stakeholders in the community; seeking and identifying innovative solutions to community issues and challenges; and better decision making.
- ***Has an analysis been conducted to determine and understand the local, regional, national and international context that might impact the engagement process?*** A variety of economic, social, political and cultural factors and issues might influence how community members act during the engagement process and companies need to explore things such as local demographic and economic

⁵⁵ Id. at 12.

⁵⁶ Community Engagement Toolkit for Planning (The State of Queensland Australia: Department of Infrastructure, Local Government and Planning, August 2017), 13-14.

characteristics, access to technology, level of understanding of the relevant issues and responses by community members to previous engagement processes.

- ***Has an analysis been conducted of the different stakeholders and community groups that could be interested in the engagement process?*** This analysis could include identifying stakeholders and community groups, exploring what issues are of interest to them and how these individuals and groups might be affected and what methods should be used to engage and build relationships with them.
- ***Has the role of the community in the ultimate decision making process relating to the project been determined?*** This question relates to selecting the appropriate level of community engagement among the options of informing, consulting, involving, collaborating or empowering the community. Different levels of engagement may be used during different phases of a project.
- ***Have each of the phases of the project been defined and described along with the associated timeframes for each phase?*** Many projects extend for significant periods of time and a path to completion should be laid out in advance along with plans for the most appropriate form of engagement for each phase.
- ***Has a determination made about what data should be collected during the engagement process in order to have sufficient information for the analysis required to make appropriate decisions?*** Decisions include identifying how community input will be collected and in what format and how it will be used to inform the decision.
- ***Has a list of the methods and tools that will be used during the engagement process been created?*** Methods and tools must be identified for each level of engagement involved in the process such as methods and tools for raising awareness and understanding of the issues, collecting input and feedback from the community and, as appropriate, establishing collaboration mechanisms.
- ***Has a determination been made regarding the financial and human resources that will be required for the proposed engagement process?*** As with any project, engagement should not be launched without a budget and a clear understanding of whether the necessary resources will be available throughout the process and how they will be accessed (an engagement process that sputters midway due to lack of resources can be counterproductive to community relations).
- ***Has a plan been established for implementing the engagement process?*** This should include a schedule for how and when the engagement will occur, which should be linked to the engagement phases of the project.
- ***Have plans been made for reporting to community members about the results of the engagement process once it is completed?*** Community members should not be asked to participate in the engagement process without a promise that the company will provide feedback on the process when it is completed and report to the community on what was said and how community impact was factor into decisions regarding the project.
- ***Have metrics for evaluating the success of the engagement process been identified and clearly defined?*** Measures should be created for satisfaction of the community and company representatives with the engagement process, the quality of the input and feedback received, the impact of the engagement process on achieving the project's stated objectives and the impact of the engagement process on the overall quality of the relationship between the company and the community.

Selecting Community Engagement Tools

Effective community engagement can only be achieved if the appropriate engagement tools are selected and used in the proper manner. When selecting engagement tools, companies must create a portfolio that is timely, accessible and appealing, inclusive, community-focused, interactive, flexible and cost-effective. As technology has evolved, the range of engagement tools has expanded enormously. The State of Queensland Australia prepared an extensive list of potential engagement tools that included descriptions and information on benefits, considerations and suitability for specific levels of engagement for each of the following: print materials, advertisements, media releases,

websites, e-mail feedback, information hotline, town hall meetings, telephone surveys, one-on-one meetings, public displays, small group meetings, community events, charrettes, steering groups, community reference groups, citizen panels, engagement apps, social media, digital video, online survey tools, hard copy surveys and questionnaires, online polling, online deliberative forums, gamification, virtual reality, mixed reality, animation software, data visualization software, 3D modeling, online polling, social media monitoring, zone cards, hackathons, expert panel, online workshop, community workshop, community radio, blogs, market research, community summit and information maze.⁵⁷

The portfolio of engagement tools needs to accomplish a variety of things including raising awareness of the issue and informing community members of the company's interest and intent to engage; gathering information from the community, with the expectation that the type of information required may change over the course of the engagement process as the company's level of engagement shifts; and accommodating the requirements of the specific level of engagement that is occurring at the present moment (e.g., the amount and type of company resources required for engagement will change when the process moves from "informing" to setting up substantial and complex partnership arrangements with community groups and other organizations). The choice of appropriate engagement tools for the then-current level of engagement is crucial and companies often need to put together a different combination of tools if the ones originally selected are not delivering a successful engagement process. The following list of questions prepared by the State of Queensland Australia is intended to help businesses to determine how to select engagement tools best suited to achieve the critical success factors for a particular engagement project⁵⁸:

- ***Has the company considered tools that inform the community and key stakeholders from the beginning of the engagement process?*** Information should be made available to the community throughout the engagement process and the higher levels of engagement cannot be carried out effectively unless there is a baseline understanding of the issue and the company's initial goals and objectives with respect to the engagement process.
- ***Has the company considered tools that will help build and secure a positive relationship, and the time that it might take to build this relationship?*** This will include tools that create opportunities for conversations with community members, and to listen to them.
- ***Has the company considered tools that will help community members contribute in a way that influences outcomes?*** It is important to time the implementation of these tools so that engagement occurs when the community has the best opportunity to influence outcomes.

⁵⁷ Community Engagement Toolkit for Planning (The State of Queensland Australia: Department of Infrastructure, Local Government and Planning, August 2017), 33-43.

⁵⁸ Community Engagement Toolkit for Planning (The State of Queensland Australia: Department of Infrastructure, Local Government and Planning, August 2017), 30-32.

- ***Has the company considered tools that will allow conversations about strategic planning to continue after the planning scheme is developed?*** Continuing the conversation will build community capacity to contribute to the next planning scheme engagement process.
- ***Has the company considered tools that will be accessible to all stakeholder groups and community members, so that they are informed about the engagement process and encouraged to participate?*** Accessibility is essential to achieving a truly participative and inclusive engagement process and careful consideration needs to be given to the economic, social and cultural characteristics of the target groups within the local community.
- ***Has the company considered tools that are appropriate for the company's local community?*** Choose tools that are accessible for the entire community, that enable the company to take the engagement process to the community and which the community is interested in using. In larger communities this may mean a combination that includes online and social media tools for younger people and traditional print information and live meetings for community residents who do not have ready access to the Internet.
- ***Has the company considered tools that provide information to stakeholders and community members in a way that is easy for them to understand?*** Choose tools that present information in an easily understandable format, use plain language and allow the company to clarify issues.
- ***Has the company considered tools that encourage all sectors of the community to be involved in conversations about planning?*** Choose tools that will appeal to diverse groups within the community and a cross-section of the population and that will help the company reach all community members, including those with specific needs (e.g. people with disability, older people, younger people).
- ***Has the company considered tools that will help the community to make properly made submissions for use in the engagement process?*** In order for the company to make sense of the input received during the engagement process it will need to ask community members to organize their submissions in a way that can be easily understood and analyzed; however, since some community members may have trouble with complying with this request the company needs to develop tools to help them.
- ***Has the company considered how good ideas can be captured as part of the process, regardless of whether they are made as part of a properly made submission?*** It is important to help build community capacity to understand the issues that are being considered in the engagement process and how to express concerns in relation to these issues. It is also important to recognize community diversity and to include engagement techniques in a process that enables community members to express their ideas. Where good ideas are expressed using these techniques they should be able to influence the engagement and decision making process, regardless of whether they are part of a “properly made” submission.
- ***Has the company considered tools that encourage the entire community to participate?*** Choose tools that allow the community to become involved, rather than just individuals or groups.

- ***Has the company considered tools that will help community members and stakeholders understand what is in the best interests of the community, and the trade-offs that may be required to achieve the best interests of the community?*** Choose tools that enable community members to explore and experiment, discuss and debate and, ultimately, understand the issues and tradeoffs associated with making decisions regarding specific community issues.
- ***Has the company considered tools that allow the community to consider the big picture and discuss the big picture with the company?*** This could include a combination of tools that inform and provide comprehensible background information, as well as tools that allow community members to deliberate about the challenges associated with addressing a specific issue and collaboratively create potential solutions.
- ***Has the company considered that a variety of different tools and techniques for engagement will be needed over time?*** Different engagement tools will connect better with some communities. Where possible, use a mix of qualitative and quantitative engagement methods to capture a diverse sample of opinions.
- ***Has the company considered the resources that are available, both budget and staff time, to deliver the engagement tools and techniques?*** Availability and allocation of resources should be reviewed before the engagement process begins and revisited periodically as the process unfolds, particularly when the necessary level of engagement intensifies.

Engaging with Specific Groups

Engagement typically requires developing relationships with a number of different groups within the community, each of which has its own characteristics. For example, in any given engagement process a company may need to inform, consult and/or collaborate with groups that differ substantially with respect to culture, gender, age, socio-economic background, values, language, physical and mental abilities and needs. As such, while decisions can and should be made regarding issues and processes that would apply to every group in the engagement process, the plans for engagement will often need to be customized to ensure that all individuals and groups within the community can participate in a meaningful way without undue disruption to their lives. While consideration should be taken of the actual or potential special needs of every material community group, particular attention should be paid to indigenous peoples, elderly community members, young people, people with disabilities, ethnic and cultural minorities in a particular community and disadvantaged and homeless people.⁵⁹

The first step in determining how best to engage with a particular community group is to identify reputable local representatives of that group to let them know about the company's intentions and seek their guidance as to how best to engage with the community members that they represent. These representatives should be able to share

⁵⁹ The discussion of engaging with specific groups included herein is adapted from Community Engagement Toolkit for Planning (The State of Queensland Australia: Department of Infrastructure, Local Government and Planning, August 2017), 48-49.

information and experience on the needs of the group and provide ideas from past engagement exercises as to how best to get them involved. There will often be existing community networks that can provide support for developing the capacity necessary for effective engagement with the particular groups including dissemination information and assisting with the logistics of conducting meetings and getting group members to those meetings. For example, when it is clear that the engagement process will need to involve extensive consultation with older people and/or people with disabilities the company should consider collaboration with neighborhood organizations that have the experience and special resources to facilitate participation by members of these groups.

Among the questions and issues that should be considered when designing an engagement process for a specific group is the timing and location of meetings, which should be selected based on the special requirements of individuals in the group with regard to accessibility and their job- and family-related responsibilities; selection of venues at which it will be easiest for members of the group to listen, concentrate and contribute their views; setting the duration of the meetings to conform to the needs of the group, realizing that some groups are composed of individuals who need more time to express their views and others would benefit from a larger number of shorter meetings that could be fit into their schedules as workers, parents and caregivers; and determining the optimal size of meetings, since effectively engaging with underserved groups that may otherwise be out of touch with community matters often works best when engagement is done through smaller meetings that are less intimidating and encourage more participation.

In addition to meetings, companies needs to deploy other tools to communicate with groups that might not otherwise regularly receive information regarding their communities and the specific issues that are being raised in the engagement process. For example, while many groups will respond to general advertising and newsletters, some community members are not able to receive those engagement tools and outreach to them will have to be done in other ways, often through person-to-person communications from people that are trusted by the recipients. Another obvious problem that must be considered is that many groups, such as the elderly, have difficulty using and/or accessing technology and thus cannot easily be reached through e-mail or social media. Regardless of how the information is conveyed to a particular group, it must be provided in a form that is accessible and respectful, which means arranging for appropriate translations of printed materials and audio and making sure that videos and graphics are prepared in a manner that conveys the information clearly and is free of language and material that might be culturally offensive.

In many communities provision may have been made by local governments to require engagement and consultation with specified community groups in advance of considering and ultimately making decisions regarding a community development project. These requirements appear most often with respect to projects that will involve the development of new structures and/or impacts to the natural habitat in the community and sponsors of such a project will be required to prepare and publish an “impact report” and complete a minimum period of “waiting” before proceeding with the project during which

community members can submit comments on, and raise objections to, the project. A case study of required community engagement prior to an investment/development project comes from federal, state and local efforts to comply with the letter and spirit of the United Nations Declaration on the Rights of Indigenous Peoples (“UNDRIP”), which was adopted with the goal of identifying, describing and affirming certain rights believed to be essential for preservation of indigenous peoples’ identity including the right to participate in decision-making.⁶⁰ Governments at all levels have struggled to implement the duties of states laid out in the UNDRIP with respect to free, prior and informed consent, which calls on states to consult with indigenous peoples on legislative and administrative measures affecting them, such as forced relocation, culture, intellectual property, lands, territories and resources, as well as development planning within the state, with a view to obtaining indigenous peoples’ free, prior and informed consent. Clearly companies need to tread carefully and deliberately when considering investment and development projects that will impact indigenous peoples in their communities and must be sure to adhere to any formal legal standards and establish a process on their own that meets or exceeds best practices for corporate social responsibility.⁶¹

Developing Content for the Engagement Process

In order for the engagement process to be effective the content in the communication tools must be clear and easily understood to the intended audiences. The process of creating the content gets complicated when there are multiple community groups with different needs in terms of the information they need in order to participate. At a minimum company must be sure that the content provides recipients with a clear understanding of the proposed project or the issue that is to be discussed during the engagement process and the goals of the company in undertaking the engagement (e.g., what decisions will the company likely be making when the engagement process has been completed and what role the engagement process will play in those decisions). When communication with community groups the company needs to explain to those groups exactly what role they are expected to play and what they need to do in order to be effective in that role. For example, does the company want them to read a newsletter and/or watch a video in order to become more informed about an issue and/or the company’s activities or does the company want community members to attend meetings and forums. At the highest levels of engagement the purpose of communications might be solicit the participation of community members in a new project as volunteers and/or donors. Whatever the proposed role of the community members will be, the engagement tools must make it clear and easy for them to comply if they wish. Engagement materials should be designed in a manner that positively conveys the company’s image and many companies will test their materials with a small group before broad distribution.⁶²

⁶⁰ http://www.un.org/esa/socdev/unpfii/documents/faq_drips_en.pdf

⁶¹ For further discussion, see C. Lewis, *Corporate Responsibility to Respect the Rights of Minorities and Indigenous Peoples* (2012); and *Implementing the UN Declaration on the Rights of Indigenous People* (Inter-Parliamentary Union, 2014).

⁶² *Community Engagement Toolkit for Planning* (The State of Queensland Australia: Department of Infrastructure, Local Government and Planning, August 2017), 61.

Feedback and Reporting

Community members and groups should not be expected to participate in the engagement process unless there is a commitment from the company to compile the feedback and report to the community of what was learned and how the engagement process fit into the decisions made by the company on the specific project and on how the company might address a particular community issue in the future. Before the engagement process commences the company needs to consider how it will follow up with the community after the process is completed, how the engagement process will be documented in a report to the community (i.e., descriptions of the objectives of the process and the participants in the process; presentation and analysis of data collected during the process; a description of how the company used the data in its decisions and the decisions that the company has made along with the reasons therefore; and a summary of future actions by the company including steps to be taken to institutionalize the engagement process) and how the report will be made readily accessible to everyone in the community included those groups for which special arrangements were necessary to allow them to participate in the engagement process.⁶³

Auditing and Evaluating the Engagement Process

Each engagement process should be seen as an opportunity for improvement and companies must conduct a thorough evaluation of the tools, methods, problems and outcomes contemporaneously with the preparation of the report to the community. At that point a number of questions should be considered including the following⁶⁴:

- Has the company considered how the engagement process addressed the core community engagement guiding principles?
- Did the engagement process ensure that the project focused on the best interests of the community?
- What engagement tools did the company use to make sure that the broader community had a voice in the process and were they successful?
- Did the company make sure that the engagement process was open, honest and meaningful and that all community members had reasonable access to the process?
- Did the company reach out to, and encourage, all sectors of the community to become engaged?
- Was the engagement process appropriate for the community and the circumstances of the project?
- Did the engagement process include tools that enabled community members to contribute and express their ideas and influence the process, regardless of whether these contributions and ideas were expressed as part of a “properly made” submission?
- Was community adequately informed early in the process?

⁶³ Id. at 68.

⁶⁴ Adapted from Community Engagement Toolkit for Planning (The State of Queensland Australia: Department of Infrastructure, Local Government and Planning, August 2017), 69.

- Was the decision-making process transparent and were community members and other participants in the engagement process provided with reasons for the decision and information on how their contributions shaped the decisions?
- Was the engagement process completed within the allocated budget?

For each question or issue the company must have quantitative or qualitative data to support its assessment. In addition, the company must focus on what it can do better to overcome challenges and issues that came up during the engagement process and make an internal record of the process and evaluation that becomes a permanent part of the company's knowledge base and which can be shared internally with current and future members of the company's community engagement team.

In addition to contributing the proposed set of core values for the practice of public participation and community engagement described above, the IAP2 developed the IAP2 Quality Assurance Standard for Community and Stakeholder Engagement which organizations can use to audit their engagement process against the IAP2 core values.⁶⁵ The IAP2 Quality Assurance Standard Process for Community and Stakeholder Engagement includes eleven steps, most of which has been described in some way in the sections above: program definition; agreement of purpose/context and identification of negotiables and non-negotiables; level of participation; stakeholder identification and relationship development; project requirements; development and approval of engagement plan; execution of engagement plan; feedback; evaluation and review; monitoring and documentation of evidence. With respect to evaluation and review, the IAP2 noted that it involves reviewing the engagement project to determine:

- The extent to which engagement project requirements were identified
- Successful stakeholder identification and engagement
- Achievement of project goals and objectives
- Satisfaction levels amongst all stakeholders from power brokers to minority groups
- Cultural awareness of and ongoing commitment to community and stakeholder engagement
- Degree of stakeholder involvement in decision making and comparison of this against initial project positioning on the IAP2 spectrum
- Change and impact as a result of engagement outcomes
- The need for further analysis of outcomes or additional engagement activities

The audit process contemplated by the IAP2 Quality Assurance Standard Process for Community and Stakeholder Engagement is intended to assess both the compliance with the recommended process and the quality of the documentation presented as evidence of compliance. For each of the seven IAP2 Core Values for Public Participation the IAP2 has developed a handful of indicators; standards of the level of quality for each indicator that permit distinguishing among elementary, emerging and exemplary levels of quality;

⁶⁵ Quality Assurance Standard for Community and Stakeholder Engagement (The International Association for Public Participation, May 2015).

and suggestions regarding the type of evidence that should be available for use in assessing the level of quality for each indicator. For example, one of the core values requires that input from participants be sought in designing how they participate in the engagement process. The indicator for this value is dialogue between representatives on the most suitable way of engaging participants, with assessment of quality based on demonstrating how stakeholders influenced the process for the project. Merely making assumptions on engagement techniques were made without stakeholder dialogue would be an elementary level of quality. Making reasonable efforts to seek feedback on the potential engagement process with all stakeholder groups would be an emerging level of quality. An exemplary level of quality would be when the sponsor has enabled the participants to have a key role in determining the engagement processes and techniques.

About the Author

This chapter was written by Alan S. Gutterman, whose prolific output of practical guidance and tools for legal and financial professionals, managers, entrepreneurs and investors has made him one of the best-selling individual authors in the global legal publishing marketplace. His cornerstone work, *Business Transactions Solution*, is an online-only product available and featured on Thomson Reuters' Westlaw, the world's largest legal content platform, which includes almost 200 book-length modules covering the entire lifecycle of a business. Alan has also authored or edited over 90 books on sustainable entrepreneurship, leadership and management, business law and transactions, international law and business and technology management for a number of publishers including Thomson Reuters, Practical Law, Kluwer, Aspatore, Oxford, Quorum, ABA Press, Aspen, Sweet & Maxwell, Euromoney, Business Expert Press, Harvard Business Publishing, CCH and BNA. Alan is currently a partner of GCA Law Partners LLP in Mountain View CA (www.gcalaw.com) and has extensive experience as a partner and senior counsel with internationally recognized law firms counseling small and large business enterprises in the areas of general corporate and securities matters, venture capital, mergers and acquisitions, international law and transactions, strategic business alliances, technology transfers and intellectual property, and has also held senior management positions with several technology-based businesses including service as the chief legal officer of a leading international distributor of IT products headquartered in Silicon Valley and as the chief operating officer of an emerging broadband media company. He has been an adjunct faculty member at several colleges and universities, including Berkeley Law, Golden Gate University, Hastings College of Law, Santa Clara University and the University of San Francisco, teaching classes on corporate finance, venture capital, corporate governance, Japanese business law and law and economic development. He has also launched and oversees projects relating to sustainable entrepreneurship and ageism. He received his A.B., M.B.A., and J.D. from the University of California at Berkeley, a D.B.A. from Golden Gate University, and a Ph. D. from the University of Cambridge. For more information about Alan and his activities, and the services he provides through GCA Law Partners LLP, please contact him directly at alangutterman@gmail.com, follow him on LinkedIn (<https://www.linkedin.com/in/alangutterman/>) and visit his website at alangutterman.com.

About the Project

The Sustainable Entrepreneurship Project (www.seproject.org) was launched by Alan Gutterman to teach and support individuals and companies, both startups and mature firms, seeking to create and build sustainable businesses based on purpose, innovation, shared value and respect for people and planet. The Project is a California nonprofit public benefit corporation with tax exempt status under section 501(c)(3) of the Internal Revenue Code dedicated to furthering and promoting sustainable entrepreneurship through education and awareness and supporting entrepreneurs in their efforts to launch and scale innovative sustainable enterprises that will have a material positive environmental or social impact on society as a whole.

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