

Annex 3

How the World Bank Group Gauges 'Broad Community Support' for Projects

World Bank and IFC Policies

I. World Bank's Policy on Broad Community Support

Operational Policy 4.10 on Indigenous Peoples

Para 1: "...For all projects that are proposed for Bank financing and affect Indigenous Peoples, the Bank requires the borrower to engage in a process of free, prior, and informed consultation. The Bank provides project financing only where free, prior, and informed consultation results in broad community support to the project by the affected Indigenous Peoples."

Para 6: "A project proposed for Bank financing that affects Indigenous Peoples requires: ...(c) a process of free, prior, and informed consultation with the affected Indigenous Peoples' communities at each stage of the project, and particularly during project preparation, to fully identify their views and ascertain their broad community support for the project..."

Para 11: "In deciding whether to proceed with the project, the borrower ascertains, on the basis of the social assessment (see paragraph 9) and the free, prior, and informed consultation (see paragraph 10), whether the affected Indigenous Peoples' communities provide their broad support to the project. Where there is such support, the borrower prepares a detailed report that documents:

- (a) the findings of the social assessment;
- (b) the process of free, prior, and informed consultation with the affected Indigenous Peoples' communities;
- (c) additional measures, including project design modification, that may be required to address adverse effects on the Indigenous Peoples and to provide them with culturally appropriate project benefits;
- (d) recommendations for free, prior, and informed consultation with and participation by Indigenous Peoples' communities during project implementation, monitoring, and evaluation; and
- (e) any formal agreements reached with Indigenous Peoples' communities and/or the IPOs.

The Bank reviews the process and the outcome of the consultation carried out by the borrower to satisfy itself that the affected Indigenous Peoples' communities have provided their broad support to the project. The Bank pays particular attention to the social assessment and to the record and outcome of the free, prior, and informed consultation with the affected Indigenous Peoples' communities as a basis for ascertaining whether there is such support. The Bank does not proceed further with project processing if it is unable to ascertain that such support exists.

II. IFC's Policy on Broad Community Support

Policy on Social & Environmental Sustainability

Para 15: "...In the case of projects with significant adverse impacts on affected communities, IFC also assures itself that there is broad community support for the project within the affected communities..."

Para 20: "IFC is committed to working with the private sector to put into practice processes of community engagement that ensure the free, prior, and informed consultation of the affected communities. Building on this commitment, when clients are required to engage in a process of free, prior, and informed consultation, IFC reviews the client's documentation of the engagement process. In addition, through its own investigation, IFC assures itself that the client's community engagement is one that involves free, prior, and informed consultation and enables the informed participation of the affected communities, leading to broad community support for the project within the affected communities, before presenting the project for approval by IFC's Board of Directors. Broad community support is a collection of expressions by the affected communities, through individuals or their recognized representatives, in support of the project. There may be broad community support even if some individuals or groups object to the project. After the Board approval of the project, IFC continues to monitor the client's community engagement process as part of its portfolio supervision."

Environmental & Social Review Procedures

(please see next page)

3.5 Annex

3.5.1 Procedural Note on Reviewing Free Prior Informed Consultation and Determining BCS.

Sustainability Policy

Paragraph 20 includes the statement that “...when clients are required to engage in a process of free, prior, and informed consultation, IFC reviews the client’s documentation of the engagement process. In addition, through its own investigation, IFC assures itself that the client’s community engagement is one that involves free, prior, and informed consultation and enables the informed participation of the affected communities, leading to broad community support for the project within the affected communities, before presenting the project for approval by IFC’s Board of Directors. Broad community support is a collection of expressions by the affected communities, through individuals or their recognized representatives, in support of the project. There may be broad community support even if some individuals or groups object to the project. After the Board approval of the project, IFC continues to monitor the client’s community engagement process as part of its portfolio supervision.”

Performance Standard 1

Paragraph 22 includes the statement that, “For projects with significant adverse impacts on affected communities, the consultation process will ensure their free, prior and informed consultation and facilitate their informed participation. Informed participation involves organized and iterative consultation, leading to the client’s incorporating into their decision-making process the views of the affected communities on matters that affect them directly, such as proposed mitigation measures, the sharing of development benefits and opportunities, and implementation issues. The client will document the process, in particular the measures taken to avoid or minimize risks to and adverse impacts on the affected communities.”

Performance Standards 7 and 8

See Performance Standard 7 on Indigenous Peoples, paragraph 8 on free, prior and informed consultation and informed participation of Indigenous Peoples, and paragraphs 12, 13, 14 and 15 providing for the client’s obligation to enter into good faith negotiation with the affected communities of the Indigenous Peoples, and to document their informed participation. See also Performance Standard 8 on Cultural Heritage, paragraphs 9 and 11.

Two Review Streams

In the light of the above policy and requirements, broad community support is not something that can be achieved without free, prior and informed consultation and informed participation (although the process of free, prior and informed consultation and informed participation may not, in some cases, lead to BCS). IFC’s assessment of BCS therefore involves consideration and data analysis from two review streams, the process and the outcome:

- ➔ **Stream 1** – Has the client conducted free, prior and informed consultation, and enabled the informed participation of affected communities?

- ➔ **Stream 2** – What is the level of support and dissent related to the project among the affected communities for the project?

In addition to its consideration data analysis from these two review streams, IFC will also take into account the project context, as described below.

A Focus on ‘Affected Communities’

The requirement on BCS in the Sustainability Policy makes it clear that *“broad community support is a collection of expressions by the affected communities, through individuals, and/or their recognized representatives, in support of the project.”* The affected communities are those within the project’s area of influence, who will most likely feel the direct impacts of the project. Although the natural focus of the BCS analysis will be on those who will bear the direct burden of the project, the analysis will also include those who will directly benefit from the project, thus enabling a balanced perspective within the project’s area of influence. The affected communities are a subset of a broader group of project stakeholders located within the project’s area of influence, in the region, host country, or elsewhere. IFC’s judgment on BCS involves the views of this subset of project stakeholders. Their identity should be ascertained through the stakeholder identification process of the social and environment assessment by the client. Where socio-economic baseline data is generated for purposes of the Resettlement Action Plan or the Indigenous Peoples Development Plan, for example, such data will also indicate the presence of affected communities. IFC will review the client assessment document and available data.

Gauging Support for the Project

BCS is about whether affected communities are *“in support of the project,”* and not about whether there is a lack of opposition to the project. The term *“the project”* should be interpreted to mean the project being invested in by the IFC, as opposed to the totality of the client’s existing operations. Objections by some members of the affected communities will not necessarily negate BCS for the project.

Review Stream 1 – Has the Client conducted Free, Prior and Informed Consultation and Enabled the Informed Participation of Affected Communities?

The determination (scores) for these considerations will be made against the scaling system used by the Environment and Social Development Department for project supervision.

Material Consideration	Examples of Validation Methods
1. Company Strategy, Policy, or Principles on Engagement Strategy, policy, or principles for on-going engagement with explicit mention of project-affected persons and/or communities.	Client’s strategy, policy or principles or other supporting documents.

Material Consideration	Examples of Validation Methods
<p>2. Stakeholder Identification and Analysis As part of the Social and Environmental Assessment process, identification of all project-affected communities, their disaggregation (numbers, locations) in terms of different levels of vulnerability to adverse project impacts and risks, and an analysis of the effect of adverse project impacts and risks on each group. As part of the Social and Environmental Assessment process, this analysis should also look at communities and individuals that will benefit from the project.</p>	<p>Stakeholder analysis document as part of SEIA or SEA.</p> <p>Client's planning documentation for community engagement, e.g. communications strategy, consultation plan, Public Consultation and Disclosure Plans, and stakeholder engagement plan.</p>
<p>3. Community Engagement A process of consultation that is ongoing during the project planning process (including the process of Social and Environmental Assessment), such that: (a) affected communities have been engaged in: (i) identifying potential impacts and risks; (ii) assessing the consequences of these impacts and risks for their lives; and (iii) providing input into the proposed mitigation measures, the sharing of development benefits and opportunities and implementation issues; and that (b) new impacts and risks that have come to light during the planning and assessment process have also been consulted upon.</p>	<p>Client's schedule and record of community engagement.</p> <p>Client's record of discussions with recognized community representatives, respected key informants, and legitimate representatives of sub-groups (e.g., women, minorities).</p>
<p>4. Information Disclosure Timely disclosure by the client of project information by the client to all project-affected communities about the purpose, nature and scale of the project; the duration of proposed project activities; and expected risks, impacts and development benefits that directly affect them. Disclosure should be in a form that is understandable and meaningful.</p>	<p>Client's materials prepared for disclosure and consultation.</p> <p>Client's record of discussions with recognized community representatives; respected key informants; and legitimate representatives of sub-groups.</p>
<p>5. Consultation a) <i>Free</i> Evidence from the communities adversely affected by the project that the client or its representatives have not coerced, intimidated or unduly incentivized the affected population to be supportive of the project.</p>	<p>Client's record of discussions with recognized community representatives, respected key informants, and legitimate representatives of subgroups.</p>

Material Consideration	Examples of Validation Methods
<p>b) Prior Consultation with affected communities must be sufficiently early in the project planning process: (i) to allow time for project information to be interpreted and comments and recommendations formulated and discussed; (ii) for the consultation to have a meaningful influence on the broad project design options (e.g., siting, location, routing, sequencing, and scheduling); (iii) for the consultation to have a meaningful influence on the choice and design of mitigation measures, the sharing of development benefits and opportunities, and project implementation.</p> <p>c) Informed Consultation with affected communities on project operations and potential adverse impacts and risks, based on adequate and relevant disclosure of project information, and using methods of communication that are inclusive (i.e., accommodating various levels of vulnerability), culturally appropriate, and adapted to the communities' language needs and decision-making, such that members of these communities fully understand how the project will affect their lives.</p>	<p>Client's record of discussions with recognized community representatives, respected key informants, and legitimate representatives of subgroups.</p> <p>Client's record of discussions with recognized community representatives; respected key informants; and legitimate representatives of sub-groups.</p>
<p>6. Informed Participation Evidence of the client's organized and iterative consultation, leading to the client's specific decisions to incorporate the views of the affected communities on matters that affect them directly, such as the avoidance or minimization of project impacts, proposed mitigation measures, the sharing of project benefits and opportunities, and implementation issues.</p>	<p>Client's schedule and record of community engagement.</p> <p>The client's documentation of measures taken to avoid or minimize risks to and adverse impacts on affected communities in response to community feedback received during consultation.</p> <p>Drafts of Action Plan.</p>
<p>7. Vulnerable Groups – Consultation and Mitigation Evidence that individuals or groups particularly vulnerable to adverse project impacts and risks have been party to effective prior, free and informed consultation as well as informed</p>	<p>Stakeholder analysis as part of SEIA or SEA or socio-economic baseline data.</p> <p>Client's record of community engagement, including record of discussions with legitimate</p>

Material Consideration	Examples of Validation Methods
<p>participation, and evidence that the potential impacts and specific or exacerbated risks to them will be mitigated to the satisfaction of these parties.</p>	<p>representatives of vulnerable groups.</p> <p>Client's documentation of measures taken to avoid or minimize risks to and adverse impacts on vulnerable groups in response to feedback received during consultation.</p> <p>Drafts of Action Plan.</p>
<p>8. Grievance Mechanism – Structure, Procedure, and Application An effective grievance mechanism procedure, that is fully functioning: (i) throughout the process of social and environmental assessment; and (ii) that is suitable for the operational phase of the project to receive and address the affected communities' concerns about the client's social and environmental performance. The mechanism should be culturally appropriate, readily accessible to all segments of the affected communities, and available to affected communities at no cost and without retribution.</p>	<p>Client's organizational structure and responsibilities, and procedures for managing grievances.</p> <p>Client's record of grievances received about the project and addressed, including expressions in support or dissent.</p> <p>Client's record of discussions with recognized community representatives, respected key informants, and legitimate representatives of subgroups.</p>
<p>9. Feedback to affected communities Documentation that the client provided the results of consultation to the project-affected communities, and either: (i) demonstrated how the comments and recommendations made by the project-affected communities have been accommodated in the project design, mitigation measures, and/or sharing of development benefits and opportunities; or (ii) provided a rationale why these comments and recommendations have not been accommodated.</p>	<p>Client's record of community engagement.</p> <p>Client's documentation of measures taken to avoid or minimize risks to and adverse impacts on affected communities.</p> <p>Discussions with recognized community representatives, respected key informants, and legitimate representatives of subgroups.</p> <p>Client's ongoing reporting on implementation of Action Plan.</p> <p>Revised management program or Action Plan.</p>

The client may also use perception surveys to pose questions to affected communities and solicit their responses.

Review Stream 2 - What is the level of support and dissent among the affected communities for the project?

The approach is to document the degree of support for, or against, a project based on an accumulation of “material considerations.” These are factors considered by IFC to form a judgment whether or not there is broad community support. All evidence for each material consideration is taken into account. In addition, IFC will analyze the context of the project (see the context table below).

Material Consideration	Method of Validation
<p>1. Formal Expressions of Support or Objection A collection of expressions of support or dissent for the project that have arisen through existing, formal, institutional and/or democratic processes.</p>	<p>Minutes of meetings of elected local government, village council, council of elders, etc.</p> <p>Meeting minutes of other existing and respected community bodies.</p> <p>Results of a formal referendum.</p> <p>Local and community elections won on popular mandates, with explicit reference in the manifesto and campaigning messages of the winning parties to a particular opinion about the project.</p>
<p>2. Informal Expressions of Support or Objection A collection of expressions of support or dissent for the project arising through discussions or negotiations undertaken explicitly in relation to the project with informal or traditional institutions, non-elected community leaders or elders, and other informal representatives of the affected community.</p> <p>Evidence of organized support or dissent for the project (or for the project) undertaken by project-affected communities, with high relative levels of participation by: (i) the affected community as a whole; or (ii) by sub-groups particularly affected by the project.</p>	<p>Written agreements, MoUs, MoAs, Heads of Agreement, Letters of Intent, Joint Statement of Principles, etc.</p> <p>Client records, photographs, media reports, personal letters or third party accounts, etc., regarding events/demonstrations/other activities for the project undertaken by project-affected communities, with high relative levels of participation by: (i) the affected community as a whole; or (ii) by sub-groups particularly affected by the project.</p>
<p>3. Evidence of Good Faith Negotiations (see Performance Standards 7 and 8) A collection of expressions of support or dissent for the project have resulted from negotiations that contain the elements of good faith negotiation (see Guidance Note 7).</p>	<p>One-to-one interviews with those involved in the negotiations.</p> <p>Agreements reached with affected households or groups.</p> <p>Written agreements, MoUs, MoAs,</p>

Material Consideration	Method of Validation
	Heads of Agreement, Letters of Intent, Joint Statement of Principles, Community Development Plan / Indigenous Peoples Development Plan, Benefits Sharing Agreement, or other documents that capture the outcome of the good faith negotiations.

Analysis of Contexts

The following factors are also taken into account by IFC, as part of its analysis of the project context:

Material Consideration	Method of Validation
1. Net Benefits Evidence that project-affected communities are in receipt of or can be expected to receive net benefits as a result of the project (disaggregated by subgroups, including vulnerable groups).	Qualitative or quantitative analysis of potential impacts and expected benefits, such as: <ul style="list-style-type: none"> • Improvement in living standards. • Employment opportunities accessible to affected-population (e.g., numbers, pay level, duration). • Community development commitments. • Special circumstances, e.g., resettlement, indigenous peoples.
2. Legal Framework / Public Policy Considerations Legal framework and/or public policy considerations that provide support or dissent to the project.	Approved development and land use plans. Local authority ordinances and bylaws. Public security policy. Economic policy at the local, regional, and/or national level.
3. Local and National Political Considerations Extent to which the opinions of communities are influenced by (i) local or national politics (e.g., the electoral cycle); or (ii) organizations and stakeholders external to the project area.	Discussions with recognized community representatives, respected key informants, and legitimate representatives of subgroups (e.g., women, minorities). Media reports. Discussions with local or national chambers of commerce, religious leaders, relevant regulatory agencies, ministerial representatives, members of the legislature, etc.

Material Consideration	Method of Validation
<p>4. IFC's Value Addition Analysis of IFC's value addition to the project (as compared to the project if it proceeded without IFC funding).</p>	<p>Qualitative or quantitative analysis of expected benefits and programs identified and recommended by IFC during its project review, such as:</p> <ul style="list-style-type: none"> • Improvement in living standards. • Employment opportunities accessible to affected-population (e.g., numbers, pay level, duration). • Community development commitments. • Special circumstances, e.g., resettlement, indigenous peoples.