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RSB Impact Assessment Guidelines

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Note on the use of this document

These guidelines are designed to help the operator understand the RSB impact assessment process as well as to provide guidelines on the RSB stakeholder engagement process.

The guidelines will provide a map book through the various processes required to complete the RSB impact assessment process.

These guidelines can be used by the auditor to get a better understanding of key-aspects to be considered during certification process.

This document does not serve as the basis for verification of compliance and audits of operators. This document is not a normative document.

These guidelines were developed in collaboration with:
Coastal & Environmental Services
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RSB impact assessment guidelines

Introduction

Principle 2 (and its criteria and minimum requirements) contained within the RSB standard requires participating operators (POs) to complete a process called the RSB Impact Assessment (RSB-GUI-01-002-01). This document describes the process that should be followed, to give direction and guidance to participating operators (POs). In many instances the PO may already have completed a government regulated process, and the RSB standard requires that this process is streamlined and integrated with the RSB Impact Assessment.

The following is the RSB requirement contained under principle 2:

Criterion 2a. Biofuel operations shall undertake an impact assessment process to assess impacts and risks and ensure sustainability through the development of effective and efficient implementation, mitigation, monitoring and evaluation plans.

The impact assessment process involves many steps, some of which are necessary for all operators and others which are only necessary in particular instances. All operators are required to initially complete the screening process which can be found in RSB –GUI-01-002-02. The screening process may trigger the necessity for a PO to complete an environmental and social impact assessment (ESIA), or a rapid environmental impact assessment (RESA). The screening process may also trigger specialist impact assessments. Regardless of the process required, all operators are required to complete an environmental and social management plan (ESMP), a document that provides a summary of potential impacts assessed, mitigation plans developed as well as describing how the PO will manage and monitor its environmental and social risk over the lifetime of the project and how it will respond to changes to the management of these risks over time.

| RSB Impact assessment processes and documents are as follows: | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| RSB Impact assessment guidelines (this document) | RSB-GUI-01-002-01 |
| Screening guidelines | RSB-GUI-01-002-02 |
| ESIA guidelines | RSB-GUI-01-002-03 |
| RESA guidelines | RSB-GUI-01-002-04 |
| ESMP guidelines | RSB-GUI-01-002-05 |
| Specialist impact assessments included in the RSB impact assessment process as separate and discrete documents and processes are as follows: | |
| Social impact assessment | RSB-GUI-01-005-01 |
| Food security impact assessment | RSB-GUI-01-006-01 |
| Conservation impact assessment | RSB-GUI-01-007-01 |
| Soil quality impact assessment | RSB-GUI-01-008-01 |
| Water rights, availability and impact assessment | RSB-GUI-01-009-01 |
| Land rights impact assessment | RSB-GUI-01-012-01 |

The impact assessment process is the entire process of screening, impact assessment and the development of environmental and social management plans (ESMP). It also includes all of the processes required for stakeholder engagement. The impact assessment process must be completed by all POs at the point at which they wish to enter the RSB certification system to comply with the requirements under principle 2. It applies for greenfields developments, existing operations and extension of operations. It only applies to the specific aspect or part of the development for which certification is being applied for, but where specified it may extend beyond the boundaries of operations (if impacts beyond these boundaries are anticipated and these impacts are included in the requirements of the RSB standard).

Section 1 of the document serves as guidance on the impact assessment process. Section 2 gives guidance on all aspects of stakeholder engagement, including stakeholder mapping, stakeholder consultation and how to seek consensus with stakeholders

1 SECTION 1: IMPACT ASSESSMENT

1.1 Guidance on the RSB impact assessment process

The following section of the document provides both a step by step guideline for completing the impact assessment process as well as general guidance on issues that may arise. Diagram 1 depicts the Impact assessment process and if and when various steps are required. The following pages describe what is required by POs, at what stage and in what instances they may be required or when an operator may be exempt from requirements. It provides a step by step guidance on what to do. The RSB standard describes certain non-compliances which affect the ability of the PO to be certified. All non compliances must be rectified before certification can be achieved. In some instances it may not be possible to rectify a non compliance and in these instances biofuel operations cannot be certified. An example of where non compliance cannot be rectified is where a PO has converted conservation values of a global, regional or local importance after the 1st January 2009. While this document provides guidelines, for all threshold values the reader is referred to the threshold values found in the RSB standard and in particular its principles, criteria and minimum requirements

1.2 The Impact Assessment Process

Step 1: Screening Process

The screening process tool can be found at RSB-GUI-01-002-02.

Purpose of the screening process: To a) determine if the PO is required to do an ESIA or a RESA (and thus a stakeholder process); b) To determine if specialist studies are required and if yes, which ones are required; c) to determine which additional studies are required by the P & Cs (this will involve going through all of the P & Cs; and d) to determine if the PO can meet with all the requirements or if there is non compliance even initially that cannot be rectified or which may that a PO needs to introduce mitigation measures to reach compliance.

Note: A non compliance is when a survey or study indicates that the operator has an issue that means it fails to comply with RSB standard. In many instances these non compliances can be rectified, but in some instances a period of time may need to pass before an operation can apply again, in other cases, the non compliance is not rectifiable

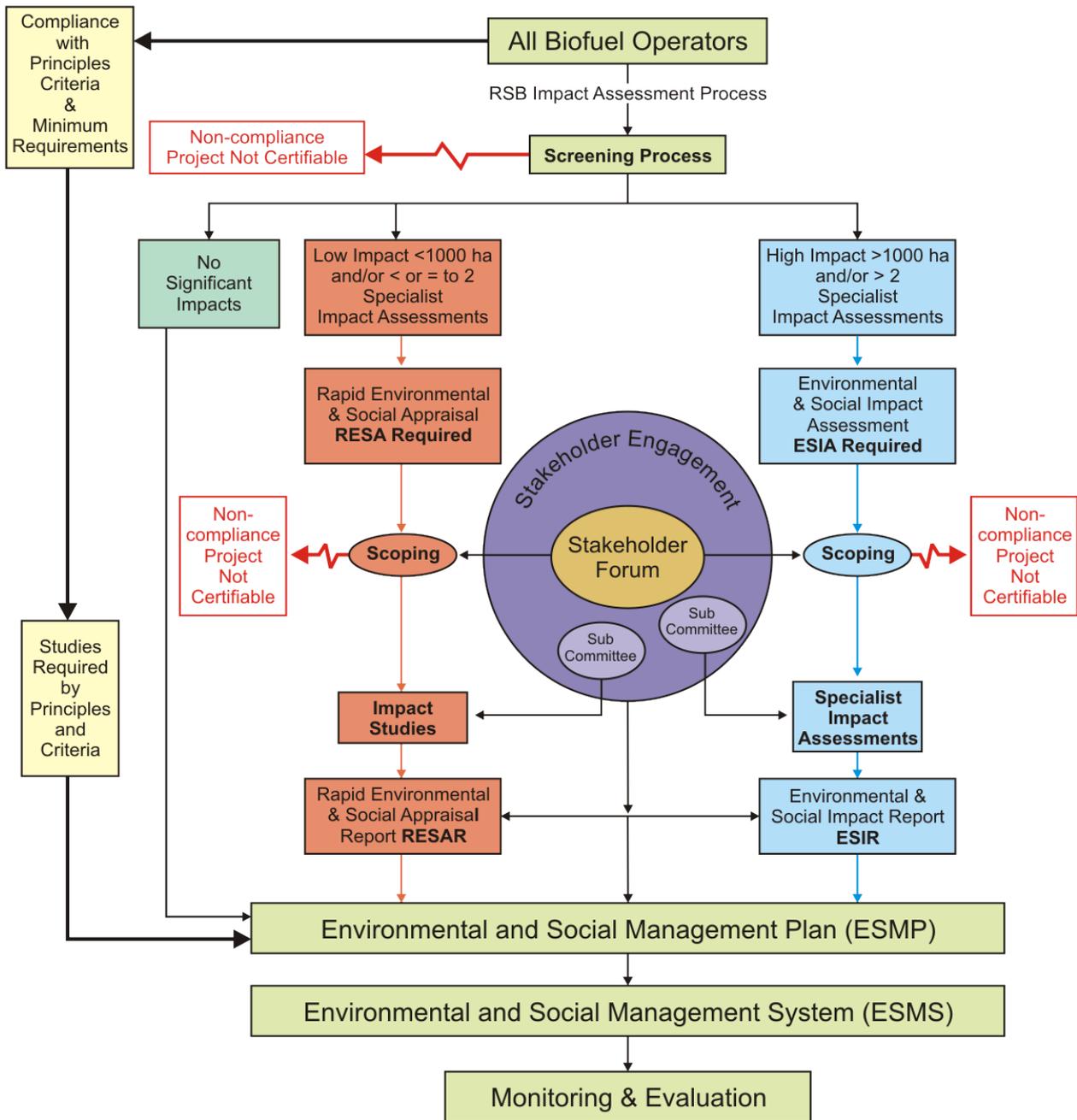


Figure 1 – RSB impact assessment decision tree

During the screening exercise the PO will need to do the following:

Principle 1 – legality

Gather all legal requirements and ensure that these have thus far been complied with or can be complied with in the operations

Non compliance – if the PO has not complied with legal requirements the operations cannot be certified until this is rectified. If the PO cannot comply with legal requirements it is unlikely that certification is possible.

Principle 2 – Planning, monitoring and continuous improvement

Possible requirements are as follows:

- a) ESIA, RESA or specialist impact assessments.
- b) Social Impact Assessment (SIA) - The screening exercise will assess whether the operations will have any potential socio-ecological impacts on local communities as described in the ESIA guidelines. If yes, a SIA is required.
- c) If a SIA, an ESIA or a RESA is required a stakeholder process is required. A more limited stakeholder process is required for the RESA. The SIA requires local stakeholder engagement.

Guidance on the ESIA process

- Operations on more than 1000 Ha of contiguous land (allowing for road and other infrastructure to break the contiguous nature) which is coming into production for the first time or has been out of production for over five years, are required to complete an ESIA, even if specialist studies are not triggered by the screening process.

Note: contiguous means that the farm is essentially one farm, and that the distances between fields are small. The contiguous nature can be broken by areas set aside for ecological conservation or management, rivers and dams, or for roads and infrastructure. The intention here is to differentiate between Pos that have large operations on one area and a PO that is made up a large number of smaller farms owned by small scale farmers or operations who have joined together for the purposes of RSB certification.

- An exception to the above is that if the PO has 1000 ha of contiguous land that will be used for biofuels, which has been in continuous use for agriculture for the past five years or more, and where the same crops and the same agriculture practices will be used for biofuel operations, these operators only need to complete an ESIA if the screening tool triggers more than 2 specialist studies.
- In all cases, regardless of size, where the screening process triggers more than 2 specialist impact assessments, an ESIA is required.
- If the screening process triggers two or less specialist impact assessments the PO must complete a RESA
- The PO must complete specialist impact assessments where they are triggered during the screening process
- If the screening exercise indicates that there are a large number of less significant impacts across all of the criteria in the RSB standard, which need attention, these can be addressed within the ESIA or RESA if applicable or directly through and in the ESMP.

The principle of Free Prior and Informed Consent (FPIC) applies to stakeholder engagement where a significant majority of any directly affected stakeholders must agree with the proposed development if the development impacts on any existing rights.

Non compliance- There might be an existing dispute on the project which cannot be resolved, or it might occur later on in the process. Lack of consensus means sustained opposition by a significant majority of affected stakeholders – if the dispute cannot be settled satisfactorily, this will be a non compliance.

Principle 3 – Greenhouse Gas Emissions

This study is done by all operators, but there are different requirements for feedstock producers, processors and blenders.

Non compliance – If the carbon intensity of the Biofuels is more than that of the RSB fossil fuel baseline, this is a non compliance. The biofuel blend must in total be more than 50% over the RSB baseline fossil fuel reference or its non compliant. The latter is usually only calculated at the end, but initial work has an impact on this figure.

Principle 4 – Human and labour rights

Compliance with this principle is mandatory whenever staff are employed in the biofuel or biomass operations. Certain requirements differ if children are utilised on family farm.

Non compliance: Not possible to determine a non compliance at the point of screening if the operation is not already active. However, the standard gives clear thresholds and requirements that the operator needs to ensure are adhered to. The existence of child Labour or forced labour is a non compliance. If workers work longer hours than those set by thresholds in the standard this will be a non compliance. Payment below the regulated minimum wage is a non compliance. Other thresholds apart from these are in the standard.

Principle 5 – Rural and social development

The requirements of this principle must be complied with in a region of poverty. Thus the screening process determines only if operations are in a region of poverty. If it is, the PO is required to improve the socio economic status of locally affected stakeholders, with particular attention to vulnerable sectors of the community.

Non compliance- this would take place if an operator is in a region of poverty and did not comply with the requirements under this principle. Directly affected stakeholders must be in agreement with proposed development plans.

Principle 6- Food security

This principle must be complied with in a region of food insecurity. An operator can determine if it is operating in an area of food insecurity by utilising the framework in annex 3 of the RSB impact assessment screening guidelines (RSB-GUI-01-002-02).

Non compliance will take place if the operator is having a negative impact on food security AND if it does not improve local food security if it's directly affected stakeholders

Principle 7 – Conservation

The screening process will determine whether the PO must complete a conservation specialist study (RSB-GUI-007-01).

Non compliance: Operations are taking place in a “no-go” area transformed after 1st January 2009 without legal authority from conservation authorities. This can usually be determined during the screening exercise, but at times, issues may only arise during the scoping process or after the specialist study. Additionally non compliance takes place if conservation values of a global, regional or local importance are not identified and maintained by the PO.

Principle 8 – Soil

This principle requires that all operators will implement practices to maintain or enhance soil physical chemical and biological conditions. If the screening exercise indicates a need, POs will have to do a soil impact assessment (RSB-GUI-01-008-01) and develop a soil management plan.

Non compliance: if the PO does not maintain soil health this will be a non compliance. If a soil impact assessment (RSB-GUI-008-01) is required, a soil management plan is required.

Principle 9 – Water

Three issues are covered under this principle a) water rights; b) water availability and c) water quality. a) and b) are interlinked to an extent. All POs are required to assess whether or not they will impact on water rights and to develop a water management plan. Operators should refer to the water assessment

document (RSB-GUI-01-009-01) which provides guidance on how to establish water rights and how to deal with issues related to water availability and quality. If the screening exercise indicates significant impacts on any of the above issues, the appropriate section of the water impact assessment according to the above guidelines must be completed and the impact mitigated.

Non compliance: The principle of Free Prior and Informed Consent (FPIC) applies here. Stakeholders must be in agreement with the proposed use of water if it impacts their rights. All thresholds and requirements under the standard must be met.

Principle 10 – Air

This principle only applies where aspects of air pollution or open air burning apply. If a PO will potentially have an impact on air quality, it is required to complete an emissions control plan. Open air burning must be phased out if carried out and a plan is required.

Non compliance: Absence of an emission control plan if required that details how the PO will comply with the thresholds and requirements in the standard

P11 – Use of technology, inputs and management of waste.

The following is required under this principle

- a) A waste and bi-product management plan is required.
- b) If GMOs are to be used containment plan is required.
- c) A chemical and hazard management plan is required.

Non compliance: Absence of the above reports is applicable

P12 – Land rights

The purpose of this principle is to protect land rights. In order to determine if land rights will be impacted, the PO will be required to perform a land rights assessment (of both formal and informal rights). The Principle of Free Prior and Informed Consent (FPIC) apply to this principle.

Non compliance: If land rights will be impacted by the PO and its operations, a significant majority of directly affected stakeholders must be in agreement with the proposed operations and if not this will be a non compliance. If there is already an existing dispute on the use of the land, this dispute must be settled using FPIC principles. The following is not permitted under the RSB standard

1. involuntary resettlement;
2. Unresolved dispute on the land to be used for operations.

Step 2: Scoping Exercise

If the screening exercise indicates that an ESIA, a RESA or specialist studies are required, the next step is to scope out the extent of these studies. The scoping exercise is done by independent professionals/specialists in their field. Generally speaking it is the same specialist who does the scoping who also does the study. For each of the specialist studies a separate specialist may be required depending on their expertise. In the event that an ESIA is to be carried out, a specialist ESIA co-ordinator is required to pull all of the aspects of the studies together.

Purpose: To a) determine the scope of the ESIA or RESA and/or specialist studies required and b) to develop TORS for the ESIA, RESA of specialist studies and stakeholder engagement. This process further ensures that consultants do not do studies in areas or on issues that are not necessary.

It is possible that new areas of non compliance will arise as a result of the studies, but this should be minimal if the screening exercise was done correctly. Stakeholder engagement is necessary at this stage, particularly when working with highly biodiverse areas of concern to interest groups, or in areas where social impacts are likely to be high.

During a RESA, the scoping study will determine where the most likely impacts will take place and the expert should focus studies and assessments on these aspects.

Examples of what a scoping exercise may include:

| Specialist Study | Scope |
|--------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Conservation impact Assessment guidelines (RSB- GUI-01-007-01) | If the screening exercise indicated that the planned operations fall in areas with conservation values of global, regional or local value the specialist impact assessment should include a land use assessment plan. If the screening exercise indicated that the area is a highly biodiverse area or is in an existing reserve that had some rights for agricultural production, for instance (this is well detailed in the specialist study guidelines) then scoping should define a more intense specialist study. All large areas of land should ideally be mapped using the land use mapping process described in the specialist impact assessment guidelines |
| Social Impact Assessment (SIA) (RSB-GUI-01-005-01) | During the scoping exercise, the consultant will determine the impact area of the proposed operations and identify which communities may be impacted, and therefore need to be included in the study. Opportunities to improve the socio economic status of the directly affected stakeholders should also be scoped |
| Stakeholder engagement (RSB-GUI-01-002-01) | During the scoping exercise, a stakeholder analysis will be done. This stakeholder analysis will determine which stakeholders to include, based on the specialist studies required. For instance, if an ecosystem and conservation specialist study is required, the stakeholders should include conservation and biodiversity experts, interest groups and authorities. The same applies to water, soil, air, land, food security, rural development, etc. |
| (Water Assessment) and Water availability and quality (RSB-GUI-01-009-01) | Scoping will assess where the greatest impact on water rights (as per the guidelines) might occur so as to focus attention on the right stakeholders and areas of the catchment The water availability, use, efficiency and quality study will need to be scoped out in terms of the potential impact, source of water withdrawals, sources of water pollution, areas for increased efficiency etc. Scope will focus in on particularly important areas. |
| Land rights (RSB-GUI-01-009-01) | Scoping will focus on where land rights disputes might exist or where land rights abuses might take place/are taking place |
| Food security study(RSB-GUI-006-01) integrated with and rural and social development | The scoping exercise will serve to set a boundary on these studies to directly affected local stakeholders and their families. Key communities will be identified to be included in the study. It is very likely that these communities will differ from the ones included in the SIA as the SIA is a far more broader study that generally includes the local town and its occupants, issues of transport that may extend beyond the boundaries, infrastructure development etc. |

Step 3: Impact Assessment Studies

Purpose of impact assessments: to determine the expected impacts from the project, develop mitigation plans and continuous improvement options.

If, during the scoping exercise, a specialist study is indicated, a specialist is needed to carry out that study. If an ESIA is required, an ESIA specialist co-coordinator is required. For less significant impacts that can be dealt with under the RESA or the ESMP, a specialist is not required. All stakeholder engagement that is carried out as part of any process must be carried out using an independent facilitator

Note: If an operator is in doubt about a particular issue, or the study may involve looking at issues where the operator and/or its team do not have expertise, it is recommended that the operator opts to use a specialist to ensure a result that will be acceptable to the auditors.

In other words the ESIA can be made of comprehensive specialist studies as well as studies that are less complex.

The ESIA document is a comprehensive document that integrates all specialist studies, all impacts of a less significant nature into one document which is used for a comprehensive stakeholder engagement process. The stakeholder engagement process for an ESIA is far more comprehensive than that required for the SIA or the RESA. For an ESIA all potential stakeholders must be mapped and included in the process. If the operations are extensive and the potential impacts are expected to be many and significant, there is likely to be a lot of interest from stakeholders in attending. In this instance some of the options under section 2, where various experts groups are formed may be indicated.

For The SIA and the RESA a stakeholder consultation is required but is required to be less extensive. In the case of the SIA, only directly affected stakeholders are necessary to consult. For the RESA, if any specialist studies have been indicated, stakeholders who are interested and affected parties involved in these processes must be included.

Step 4: The ESMP

Purpose of the ESMP: To pull together all base line studies, reports, impact assessments, mitigation, management, monitoring and evaluation plans into one comprehensive summary document that will act as the overall plan for operations

If the screening exercise indicates that the PO does not need to complete a RESA, ESIA or specialist impact assessment studies, it can proceed directly to the development of the

If the PO is required based on the screening process that it needs to complete a RESA, ESIA or specialist impact studies, these must be completed before the ESMP can be completed.

Once all impacts are known and understood, the PO, together with his team and experts (if applicable) can develop the overall management plan that will be used to operationalize the operations. Any requirements by the standard for continuous improvement are also covered under the ESMP.

The ESMP is a living document that gets updated when required, and through which all monitoring and evaluation is managed. It is the key document that operators and auditors will refer to, as it should have all summaries of all documents compiled into this single management plan.

For more details on how to complete the ESMP, go to the ESMP guidelines RSB-GUI-01-002-05.

1.3 Stakeholder Engagement

Stakeholder processes cannot be carried out by the operator, even for a RESA. And a local consultation and liaison specialist must be involved when the lead consultant is foreign to the area where the assessment will take place.

The stakeholder analysis process is important, as you need to match the stakeholders in your process with the kind of specialist studies or impacts that are going to be assessed. For instance, involve water experts if there is a large water issue, conservation experts if this has a high potential of being impacted. If working in regions of poverty, and an SIA is required, then local communities should be involved in the way described in the guidelines.

The next section of the document contains details on how and when to do stakeholder engagement processes

2 SECTION 2 -STAKEHOLDER ENGAGEMENT

2.1 Introduction

Stakeholder participation Stakeholders are described by the IFC (2007, pg 10) as:

“persons or groups who are directly or indirectly affected by a project, as well as those who may have interests in a project and/or the ability to influence its outcome, either positively or negatively. Stakeholders may include locally affected communities or individuals and their formal and informal representatives, national or local government authorities, politicians, religious leaders, civil society organizations and groups with special interests, the academic community, or other businesses.”

Effective Stakeholder Engagement (SE) is one of the key principles of sustainable development for the RSB. It is a key criterion to be used in the certification process for biofuel projects (see section 9.2 below). Stakeholder Engagement is also a central component of Impact assessment practice. It usually begins before the impact assessment process begins and remains an ongoing process.

Stakeholder engagement has benefits to both the proponent and the stakeholders of a project:

- Letting interested and affected parties participate in decision-making to give them more control and security.
- Sharing information and facilitating understanding.
- Building legitimacy and support for decisions.
- Fostering constructive working relationships among communities, companies and government.
- Building consensus and generating support for the project.
- Reducing conflict in biofuel communities
- Taping into the local and specialist knowledge of stakeholders to inform the assessment and the design of the proposed development
- Improving the end decision and increasing the possibility of ensuring sustainability.

Ideally Stakeholder Engagement involves the public in problem-solving. As suggested in Principle 2, the joint effort by stakeholders, specialists, authorities and the proponent ensures better results than if they had acted independently.

The IFC identifies the following activities in the stakeholder engagement process (IFC 2007, pg 11):

- 1 Stakeholder Identification and Analysis
- 2 Information Disclosure and Communication
- 3 Stakeholder Consultation
- 4 Facilitation of participation

- 5 Negotiation and Mediation
- 6 Cooperation and Partnerships
- 7 Conflict and Grievance Management
- 8 Stakeholder Involvement in Project Monitoring
- 9 Reporting to Stakeholders
- 10 Management Functions

There have been various guideline documents developed by different organizations on stakeholder engagement. One generic toolkit is that of the World Bank, the Energy Sector Management Assistance Program (ESMAP) and the International Council on Mining and Metals (ICMM) which focuses on community development (ESMAP *et al.* 2005).

RSB has produced a set of stakeholder engagement guidelines specifically applicable to biofuels certification. These guidelines are based on the IAIA best practice guidelines for both the Social and Environmental Impact Assessment

2.2 Principles and core values of stakeholder engagement

Many of the RSB principles relate to stakeholder engagement. In all cases this is based on the principle of Free, Prior and Informed Consent (FPIC) and ensures that participation by stakeholders is meaningful. The RSB principles require that stakeholders be analysed according to their interests in the operations, and whether they are directly, or indirectly impacted. The importance of consensus in stakeholder engagement is emphasised. It is important that every effort be made to include marginalized groups.

The Stakeholder Engagement guidelines provided below are based on core values. Core values are strongly held and accepted as premises (is-statements). Principles are described as general statements of either a common understanding or a course of action about what ought to be done (ought statements).

Core values

Core values for stakeholder engagement for the biofuels sector have been developed from the IAP2 base:

- Stakeholder engagement is based on the belief that those who are affected by or interested in a project have the right to participate in decision-making.
- Stakeholder engagement means that the contribution by all stakeholders will influence decisions.
- Stakeholder engagement promotes sustainable decisions by communicating the interests of all stakeholders, including decision makers.
- Stakeholder engagement involves stakeholders throughout the project (construction, operation and decommissioning).
- Stakeholder engagement asks stakeholders to design how they will participate.
- Stakeholder engagement provides information for meaningful participation
- Stakeholder engagement communicates how input affects decisions.

Principles

The IAIA Principles are determined from their core values. The principles below draw on those developed by the IAIA for ESIA (see Appendix 3) and are also appropriate for biofuels projects:

- **Integrated:** The process should be able to integrate the contributions of very different groups of stakeholders from government, to international organisations to local communities. This principle includes inclusivity (all stakeholders considered equally) and representivity (all sections, perspectives and interests of society are represented).
- **Adaptive:** The process should be flexible in engaging a range of stakeholders through different methods.
- **Transparent:** The process should have clear requirements. It should ensure public access to information, identify factors taken into account in decision making and acknowledge limitations and difficulties.
- **Credible:** The stakeholder engagement process is the only way in which affected stakeholders may influence the decision-making process. It is important that the process be conducted by professionals to ensure faith in the process.
- **Rigorous:** The process should apply “best practice”, using methodologies appropriate to the scale and phase of the project for stakeholder engagement, stakeholder consultation and record-keeping.
- **Practical:** The process should result in outputs which assist with problem solving and are practical for implementation by proponents.
- **Purposive:** The process should help decision-making by considering all stakeholder concerns.
- **Efficient:** The process should be efficient, making use of well-developed methodologies. (This principle may be particularly challenging in stakeholder analysis).
- **Systematic:** The process should result in full consideration of all relevant information.

An appropriate Stakeholder Engagement Process for a RESA or ESIA

There are 5 aspects of an iterative consultation for impact assessment processes that include:

- 1) Planning
- 2) Identifying and analysing stakeholders
- 3) Consulting stakeholders and facilitating participation
- 4) Recording and tracking interactions
- 5) Responding to the submissions by IAPs
- 6) Reporting back

Engagement during the comprehensive ESIA

There are a few phases to a comprehensive ESIA, each with a stakeholder engagement processes.

The first phase is screening. A stakeholder process as described in here is not necessary, but there will need to be some stakeholder engagement in order to develop base line studies on which decisions can be made. Generally, during screening, bilaterals may be held with some key stakeholders and with government officials and experts willing to assist with knowledge and information sharing.

The second phase is Scoping, to identify the issues and establish what needs to be investigated in the

second phase of the ESIA. This is done through an initial review of the existing literature and data, site visits and observations by the ESIA team, and a considerable stakeholder engagement process. This is the phase where most of the identification and analysis of the stakeholders takes place.

The information obtained from this stakeholder engagement process during scoping is used to write a Draft Scoping Report that will form the focus of the second round of consultations. The Scoping Report will be presented to the stakeholders for comment.

After the public review period, the ESIA team will write a comments report that incorporates all the issues raised by stakeholders and responds to them. If necessary, they will also amend the Scoping Report to accommodate the issues raised by stakeholders. This final Scoping Report will then provide the Terms of Reference for the more detailed studies and assessments in the second phase of the ESIA.

The third phase of the ESIA is the point at which the impact assessment studies are carried out. During this third phase of the ESIA, there may be some stakeholder engagement during the specialist studies (especially the Social Impact Assessment), but most of the stakeholder engagement activities take place near the end, once the Draft Impact Assessment and Management Plans have been developed. The Draft ESIA and impact assessment Reports should be presented to the stakeholders for comment during a review period.

As in the Scoping phase, the ESIA team will write a comments report at the end of the review period. The comments report must indicate any dissenting views from stakeholders and who (which stakeholders) hold those views and give an indication of the extent of opposition.

The final reports (or appropriate summaries thereof) should then be made available to stakeholders to ensure transparency of all information going to the authorities and the RSB. Thereafter, stakeholders should be kept informed about the outcome of the ESIA. This may be both the environmental authorities (if the RSB ESIA is integrated within the existing legislation) and/or and RSB auditors decide. There may be a need for additional stakeholder engagement if complaints are lodged and if the stakeholders request and appeal process Based on the ESIA report

Stakeholder engagement during a Rapid Environmental Assessment (RESA)

The Stakeholder Engagement process for the RESA is the same as for a Scoping Process. It is less comprehensive than that for an ESIA and involves only those stakeholders who are interested and affected parties to the issues within the RESA and its accompanying specialist studies

Stakeholder engagement processes prior to and after the RESA or ESIA

Stakeholder engagement processes associated with commercial biofuel developments usually begin before the impact assessment process and extend well beyond it. They often begin during the process of trying to identify a suitable location for the estate and facilities. Once the impact assessment process is completed, stakeholder engagement becomes focused on the implementation of the project. This includes the monitoring of implementation, and negotiations around employment and recruiting, resettlement, the development of accommodation facilities and services for workers, social development projects, and contracts with out-growers, etc. The stakeholder engagement guidelines outlined in this document are relevant to these processes and the ESIA.

2.3 Guidelines for stakeholder identification

Stakeholder identification is challenging, as important stakeholder groups can be omitted, and communication problems can develop. It is important, therefore, to have a systematic approach to the

identification and mapping of all possible stakeholders that ensures **inclusivity** and **representivity**.

Inclusivity requires that all stakeholders are considered equal, with no one group dominating the process. This is especially important for marginalized groups. Important stakeholders with crucial input into the project should be consulted specially, but their input considered equally (CMSA, 2002).

Representivity requires that all the different sections, perspectives and interests of society are represented in the process. It is important to not rely on the spokesperson or leader of a particular community (CMSA 2002). If there are marginalized people whose viewpoints are neglected by a spokesperson, they should be consulted separately. It is better to include more stakeholders than necessary rather than to risk leaving out groups.

Since stakeholders are diverse, it is often difficult to identify all of them. Guidelines are therefore helpful. The IFC (2007, pg 14 -26) outlines procedures for the determination of various stakeholders and lists important considerations:

- 1) Identify those stakeholders directly and indirectly affected by the project
- 2) Identify those whose 'interests' determine them as stakeholders
- 3) Be strategic and prioritise
- 4) Refer to past stakeholder information and consultation
- 5) Develop socio-economic fact sheets with a focus on vulnerable groups
- 6) Verify stakeholder representatives
- 7) Engage with stakeholders in their own communities
- 8) Remember that the government is a key stakeholder
- 9) Work with representative and accountable NGOs and community-based organisations
- 10) Recognize employees as a good channel for communication

In addition, the ESMAP (2005) recommend the following course of action to identify stakeholders:

- Brainstorm existing stakeholders with experienced people external to the organisation.
- Network to expand the list of stakeholders (existing stakeholders helping with the identification of other stakeholders).
- Check your expanding list of stakeholders against the checklist of potential stakeholders (see table 1).

The ESMAP, ICMM and the World Bank (ESMAP *et al.* 2005) strongly recommend that "Stakeholder identification should be conducted as early as possible, preferably within the pre-feasibility stages of a project. The list of stakeholders should be revised whenever there are changes in project design, scope, social environment, or activity. The list should be revised at least once a year and more often if changes are observed. The stakeholder list should be dynamic." Stakeholder identification needs to occur at several stages during the impact assessment process as well as outside the scope of the process to add new stakeholders (ESMAP *at al.* 2005).

Tools for stakeholder identification

Stakeholder identification is largely a mapping exercise, and involves desktop identification of potentially affected and interested parties. It is helpful to have a generic list of possible stakeholders. For this purpose, the list supplied by the ESMAP *et al.* (2005) (designed to identify stakeholders in community development for mining) is useful (ESMAP *et al.* 2005). This list was modified to be applicable to biofuels and is given in Table 1.

Brainstorm with the help of the generic list as well as through mapping. Mapping techniques should be guided by the IFC for identifying stakeholders through impact zoning (TextBox 1).

Stakeholders are identified in both the mapping and brainstorming sessions. There are bound to be overlaps and the list may be long. This can be refined later, it is more important at this stage that no stakeholder is left out.

Textbox 1: How to identify stakeholders through impact (Source: IFC)

- Draw a sketch map of the key design components of the project, both on and off site, that may give rise to local environmental or social impacts (e.g. the project site, ancillary infrastructure, such as roads, power lines and canals, sources of air, water and land pollution).
- Identify the broad impact zones for each of these components (e.g. the area of land, air and water pollution receptors, etc.).
- After mapping broad stakeholder groups, overlay those groups over impact zones.
- Through consultation with stakeholders, verify which groups are affected by which impacts. This exercise is more efficient with aerial photographs.

Mapping

Mapping is simple yet effective for identifying important stakeholders.

Step 1: Map the area including the infrastructure (roads, rail and power lines among others). Then identify which local groups will be directly affected. Local people may be affected by both the plantations and ancillary structures. These form different impact zones. Make sure that positive impacts are reflected too.

Step 2: Include the secondary effects of the project such as transportation, deforestation and pollution. Identify stakeholders that fall within this section of the map. Local church groups, women groups, youth groups, trade unions or worker co-op, farming groups, saving schemes, provide good places to identify and contact stakeholders. Some stakeholders may not be affected by the project but may be interested or indirectly affected. These may include environmental and social NGOs. NGOs in the closest large city or town are usually informed as they are issue based and may be able to contribute in the implementation phase.

Brainstorming

Step 1: Use previous lists of stakeholders. Generic lists can also be helpful. Expansion of those lists can then occur through networking (step 2).

Step 2: Use the list you have to elaborate on and collect the names and contact details of the relevant persons through networking. Spend some time in the area of the project, visiting places where women collect water, or where grain is milled, or the local clinic, local beer houses to identify additional groups.

Step 3: Revise and refine the stakeholder list. Identify overlaps. Eliminate non-stakeholders.

Step 4: Revise and refine the list regularly. This step is essential. Additional stakeholders may arise during the project. It should be revised at least once a year, and during the planning, construction and operation phases of the project. Remember you will need to consult stakeholders through the life of the project when monitoring and doing evaluation to make sure you keep on top of impacts that arise unexpectedly.

The types of stakeholders and the lists should be captured in a database. This information should include contact details to keep people informed. Additional guidelines with respect to recording stakeholder information are provided in section 8.11 below.

Table 1: List of potential stakeholders for biofuel projects (source: ESMAP *et al.* 2005)

Checklist of possible stakeholders

Communities

- 1) The local community near your site
- 2) The local community near your head office
- 3) The regional community
- 4) The national community
- 5) The international community

Specially impacted

- 6) Nearest neighbours
- 7) Elderly/ ill/ disabled
- 8) Indigenous peoples
- 9) Racial minorities/ oppressed groups
- 10) Children/ schools/ orphanages
- 11) Others

Government officials

- 12) Local officials
- 13) Regional officials
- 14) State officials
- 15) National officials
- 16) Opposition officials
- 17) Others

Industry

- 18) Individual companies
- 19) Competitors
- 20) Suppliers
- 21) Customers
- 22) Industry associations
- 23) Business associations

Other advocacy groups

- 38) Health and safety groups
- 39) Human rights groups
- 40) Social justice groups
- 41) Political groups
- 42) Others

Other civic organisations

- 43) Churches and religious organisations
- 44) Trade and Labour Unions
- 45) Educational organisations
- 46) Fraternal organisations
- 47) Charitable organisations
- 48) Organisations serving children
- 49) Organisations serving the elderly
- 50) Professional and trade associations
- 51) Others

Internal

- 52) Board of directors
- 53) International advisory board
- 54) Top management
- 55) Shareholders
- 56) Legal people
- 57) Health, safety, and environment people
- 58) Employees
- 59) Retirees
- 60) Families of employees
- 61) Human resources/ employment

24) Others

department

Regulators

25) Local agencies

26) Regional agencies

27) State agencies

28) National agencies

29) International organizations

30) Others

Environmental Non-Governmental Organizations and Community Based Organisations

31) Local groups

32) Regional groups

33) State groups

34) National groups

35) International Groups

36) Individual green activists

37) Others

62) Others

Specially concerned people/ groups

63) With interest in your site (small-scale producers and growers)

64) With interests in your company (existing partners)

65) With interests in your industry

66) Who are already involved

67) Who want to be involved

68) With emergency response job

69) Who you wish to involve

70) News media

71) Other

2.4 Guidelines for stakeholder analysis

Stakeholder analysis is the second part of the process, and involves categorising the list of stakeholders. ESMAP *et al.* (2005, 10: Stakeholder Analysis) has developed a tool to use for stakeholder analysis for the community development toolbox for mining companies. An important part of analysing stakeholders is to understand “how stakeholders relate to each other” and “the web of relationships surrounding the project”. Stakeholder analysis is important for prioritising the different levels of interest in the project.

Stakeholder analysis allows for:

- Identification of the level of interest of each stakeholder.
- Determination of relevance of project aspects to each stakeholder.
- Identification of conflicts before they arise.
- Identification of the suitable level of engagement for each of the stakeholders at different project stages.
- The impact assessment process to assess the concerns of IAPs objectively to prevent particular interest groups from dominating the decision making process. It facilitates fair, representative participation of all IAPs to build consensus.

An analysis of stakeholders should:

- Highlight the differences and biases.
- Describe the trends in attitudes towards the development (degree and distribution of support and opposition).
- Group issues and comments received.
- Identify any significant political or other outside influences.

Once a list of stakeholders is complete, a **database** should be developed for analysis. Excel or other electronic database systems are advised.

Stakeholders can be assigned categories. Each group can be dealt with differently according to their level of importance and the kinds of engagement needed.

Stakeholders can go into the categories listed below:

- Directly Affected Stakeholders
 - Beneficiaries
 - Negatively affected
- Interested stakeholders
 - Special interest groups that are not affected personally
- Indirectly Affected Stakeholders
 - Beneficiaries
 - Negatively affected
- Responsible stakeholders
 - Implementors (proponent and responsible government departments/structures)
 - Government Decision makers
 - Representatives of companies
- Involved
 - Regulators & compliance monitors
 - Oversight role
- Non-essential stakeholders
 - Nice to have stakeholders – supportive or can provide assistance
 - Interested stakeholders – concerned but not personally affected

2.4 Guidelines for Planning Stakeholder Engagement Processes

Planning is essential to ensure inclusivity and representivity.

Consider:

- a) the different kinds of stakeholders,
- b) their willingness and ability to participate,
- c) their availability,
- d) their languages,
- e) their spatial distribution,
- f) their access to information, electronic communications systems and transport,
- g) the kinds of communication they normally use,
- h) cultural norms of engagement.

Seek stakeholders out and facilitate their participation. It is not acceptable to rely on newspaper advertisements and large public meetings in towns. Many key stakeholders do not buy and read newspapers and do not have the resources to attend large public meetings in distant locations.

The engagement strategies and communication channels used need to be tailored to the local circumstances. Communication channels could include advertising at clinics, schools, markets, churches, grain mills, bars, beer halls, shebeens, local shops or artisans' businesses premises. The advertising could be oral (via radio, loud hailing or word of mouth through local representatives), or via written

notices/posters put up at local gathering places. The choice of method needs to be informed by local practices.

Planning is additionally important in contexts where there are significantly affected stakeholders who are marginalised: groups such as women, youth, indigenous communities and the vulnerable, particularly in developing countries. These groups are likely to be affected by commercial biofuel developments initiated in rural areas in developing countries where there are communal forms of tenure and other traditional political and legal systems in operation.

RSB Principal 5 and the SIA guidelines specifically require that such groups receive assistance to participate effectively. These groups tend to be overlooked in conventional planning processes. They are unlikely to speak at large community meetings and may not even attend. Their elected representatives can also not be relied on to speak for them. Special meetings with these marginal groups will be required to ensure that these groups can participate effectively (ESMAP *et al.* 2005).

Although some broad guidelines on appropriate engagement could be provided (using a consultation table – Table 4), the specific methods need to be informed by local dynamics and traditions. Consult local key informants early to gather information on appropriate methods of engagement. Local leaders and authorities should be involved but it should not be restricted to them. Information can then be used to develop a diversified engagement strategy that will accommodate the needs of the different groups. The engagement plan should also be tailored to fit into the impact assessment processes (see discussion above). The steps below provide a suggested approach to planning stakeholder engagement.

Table 2: Means of consulting stakeholders based on the level of impact and interest. (Derived in part from the ESMAP *et al.* (2005) consultation matrix)

| Level of impact and interest | Level of participation | Consultation methods |
|-------------------------------------|------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Very high | Partnership: Ongoing stakeholder involvement in project decision making | <ul style="list-style-type: none"> - Meetings - Mediation - External steering committees - Discussions |
| High | Participation: Substantive discussion and debate, encouraging participation | <ul style="list-style-type: none"> - Focus groups - Workshops - Public meetings - Discussions |
| Moderate | Investigation: Research into community needs or issues. Limited opportunity for dialogue | <ul style="list-style-type: none"> -Newsletters, press releases -In-depth interviews -presentations to key stakeholder groups |
| Low | Information: One-way, informing stakeholders of proposals and project direction | <ul style="list-style-type: none"> -Press releases -Newsletters |

- Web site
- Fact sheets
- Site tours
- Exhibitions

Key issues when planning stakeholder engagement

The most important issues are summarised below.

Table 3: Key issues to consider when planning stakeholder engagement processes

| # | Issues | Description |
|----------|------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Define goals clearly | The definition of goals is important; these should be defined according to the specific project and the stakeholder process for that project. |
| 2 | Accommodate local legislation | International guidelines do not necessarily follow local legislation. It is important to make sure that legislation is followed. |
| 3 | Secure commitment for effective implementation | The success of the stakeholder consultation process depends on local authorities and project proponents who are committed to the project's success, and understand fully the process. The cooperation of the local authorities will help in securing trust and participation of the local people. |
| 4 | Determine responsibility for implementation | Consultants or neutral third parties with experience should be responsible for implementation. |
| 5 | Plan consultation timing and phasing | Public consultation should occur as far as possible before any major decisions are finalised. Stakeholder consultation should involve the public in making large decisions. Each stage of consultation may require a different approach; the scale of the project should determine the timing. |
| 6 | Provide adequate resources | The stakeholder consultation process should take into account financial resources as well as the technical skills required. Needs of disadvantaged groups should be taken into account. Professionals should be used if not to implement the consultation plan, to add with the planning process. Fees should be incorporated into the budget. |
| 7 | Be aware of site-specific sensitivities | Political and cultural constraints may exist and these should be taken into account. |
| 8 | Be aware of the historical context | Any projects that have had a history of mistrust with the local people can create an unpleasant starting point. |
| 9 | Recognize the intents of developers/ | Be aware of the fact that developers want to get local support for the project and secure access to land and permits. Make sure that your role as the facilitator is understood by the stakeholders and you are independent |

proponents from the developers.

2.5 Guidelines for Stakeholder Consultation and Facilitation of Participation

RSB Criterion 2b requires that " Free, Prior & Informed Consent (FPIC) shall form the basis for the process to be followed during all stakeholder consultation, which shall be gender sensitive and result in consensus-driven negotiated agreements.

If consensus is not achieved then the Stakeholder Engagement Report needs to provide to the RSB auditor an explanation of the engagement process that was followed, who participated, and who is opposed to the proposals and for what reasons. A report is required even if consensus is reached.

When deciding on whether to grant a Certificate of Conformity to the biofuel operation the auditor will consider the extent of stakeholder agreement and/or opposition, the types of stakeholders opposed to the proposal(s) and for what reasons, and whether the proposal complies with the RSB principles or not.

Where there is no contravention of RSB principles, a significant majority of affected stakeholders and others support the proposal and the impact assessment recommendations, and the Stakeholder Engagement Report indicates that granting a Certificate of Conformity would be in the best interests of the majority of stakeholders, and then the certification body will do so.

If the development and the impact assessment report and recommendations comply with the RSB principles and are supported by the significant majority of the affected stakeholders but not by some of the interested stakeholders, the RSB will award accreditation.

In the case where development and impact assessment recommendations are supported by all the affected stakeholders but interested stakeholders raise objections which point to a contravention of one or more of the RSB principles, then the RSB will not award certification.

The issues around how to build consensus and manage conflict are outlined in the sections below.

Table 4: Guidelines for stakeholder consultation and facilitation

| # | Guidelines | Description |
|---|-----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Stakeholders should have a say in how they are consulted | Stakeholder groups themselves can say how they would like to be consulted. This can be done through reports and meetings for some groups, presentations for others, translated report summaries and various other methods. Participation should be conducted according to ability and interest level. |
| 2 | Flexibility | The process should be flexible enough to accommodate local needs, as well as being able to extend deadlines if practical reasons are given. Flexibility in public meetings and the results of those meeting is also needed, especially when additional meetings not in the original plan are required. |
| 3 | Transparency and honesty | The aim of transparency and honesty is to build trust with stakeholders. Negative and positive issues should be represented equally; there should be no hidden agendas. No information should be hidden from stakeholders. If trust is violated, it could take years to regain. |
| 4 | Independent | Stakeholder consultation has to be done by a neutral third party who can facilitate |

- | | |
|-----------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| facilitation | discussions. It is easier to talk to a neutral facilitator, rather than the biofuel company themselves |
| 5 Apply good practice principles | Be objective, inclusive, sensitive, adaptive, transparent, credible (acceptable), rigorous, practical, efficient and systematic. |
| 6 Ample time for announcements and responses | Announcements should be made in ways that are appropriate for the stakeholders that need to be engaged. Notice of meetings can be made in different ways: e-mail, post, sms and newspaper advertisements, loud hailing, and word of mouth from local representatives among others, posting in local clinics, at water collection points, grain mills or at points where people, in particular, women, gather. Give stakeholders ample time to make arrangements and respond. Different stakeholders take different amounts of time to respond. Avoid tight deadlines. |
| 7 Ongoing feedback and acknowledgment | It is important that stakeholders feel that their comments are being heard. Their contributions should be addressed. The best tool to use for this process is a Comments Report also known as an “Issues and Response Trail” (IRT). This report captures all the contributions of the stakeholders and provides responses to each of these. An example of an IRT is provided in Table 6 below. The stakeholder database can be used to generate such a table. This kind of report, if conducted properly, should instill trust. In some cases where stakeholders are illiterate or unlikely to read the reports, it will be necessary for the facilitators to report back visually and orally. |

2.6 Involving Marginal and Vulnerable Stakeholders in the Impact Assessment Process

RSB Criteria 2b requires that special attention be paid to ensuring that women, youth, indigenous and vulnerable people participate meaningfully in negotiations. Such groups may not attend general community meetings, or participate in discussions. In some societies, women, young people, landless or poor people may not be allowed to speak in community meetings. There may also be some resistance amongst the dominant groups to the participation of such vulnerable groups in the discussions.

It is therefore often necessary to make special arrangements to engage these stakeholders. This can be done through targeted meetings with women’s groups, youth groups and issue-based groups. Alternatively, large community meetings can be divided up into a number of different stakeholder groups for separate parallel discussions. The outcomes of these separate discussions can be reported back to the whole community.

Where stakeholder engagement with marginal groups is ongoing, it may also be necessary to create organisations that can represent these groups or build their capacity to participate in broader community forums. Where women are consulted separately, it is suitable to use a woman to facilitate the process. Youth respond better to young facilitators.

Participatory Methodologies

Participatory techniques can be used to facilitate the meaningful engagement of stakeholders. They provide useful qualitative and quantitative information that can inform the impact assessment and contribute to the baseline studies. These methods are adaptable and can be used in a variety of contexts for different purposes.

They were originally designed in the 1980s as methods of involving community members in problem solving. They can also be used as creative methods of involving community members in impact assessments and other investigative processes. Examples of such techniques include participatory mapping exercises, transects, seasonal diagrams, venn diagrams, wealth ranking exercises, etc (please refer to annex 1 of this document for examples). These methods can be used in individual and group interviews (or meetings) to collect and organise qualitative and quantitative information. The table below (Table 5) provides a brief explanation of some of these techniques. Figures A1 to A4 in annexe 1 provide illustrations of some products produced from such exercises. Reference material on participatory methods is provided in the reference list.

Table 5 Participatory Techniques that can be used to facilitate participation

| RRA Technique | Description |
|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Participatory Mapping | A group of local residents are asked to draw a map on the ground of their village illustrating various aspects of it. The facilitator prompts them to add specific kinds of information depending on the objective of the exercise. The facilitator copies the map onto paper. The exercise can also be used to provide quantitative data on the number and distribution of households and other infrastructure. |
| Transects | This is essentially a walking structured interview with key informants in the study area. A transect route is chosen and walked by the researcher and his/her informant(s). At regular short intervals the team stops, questions are asked and notes are taken about various characteristics of the environment immediately around the spot where they stopped. It can be used to record a variety of characteristics depending on the objective i.e. land uses, settlement, population, plants, soils, topography, infrastructure, activities etc. |
| Seasonal Diagrams | Individuals or groups can be asked to indicate on a seasonal diagram (drawn on the ground or on paper) the periods in the year when different crops are grown, harvested, or eaten; the trends in annual rainfall, periods of food insecurity (and degree of insecurity), trends in debt and income supply, labour demand, cultural activities, burning, etc. Participants can be given a number of beans or pebbles and asked to distribute them among the months of the year to indicate the intensity of various activities or events in different months. |
| Venn Diagrams | These are diagrams drawn by residents on the ground or on paper indicating for example the different organisations and groups in the local area and the relationships between them. Also with outside organisations or institutions. |
| Wealth Ranking | An exercise undertaken separately with a number of different residents to rank all the households in the village from wealthiest to poorest. This is usually done with named cards used to represent each household. The respondent is asked to arrange the cards from wealthiest to poorest. They can also be asked to group the households into categories. |
| Matrix ranking | A matrix can be used in group interviews to get respondents to rank and prioritise the importance of various activities, events, preferences, criteria etc. The matrix would be drawn on the ground or on paper. In illiterate communities, a fixed number of beans can be given to participants to distribute between the different items that are being ranked or prioritised. The beans allocated to each item can then be counted, recorded and compared. Such an exercise could be used to rank |

the severity of different impacts from a proposed development for different groups.

2.7 The Role of the Stakeholder Engagement Facilitators

The role of the facilitator is extremely important to make sure that all attempts are made to see that consensus is reached and that no deadlocks occur. In order to build stakeholder trust in the process, the stakeholder engagement must be conducted by a neutral independent third party, rather than the PO. The facilitator should be:

- Transparent.
- Objective.
- Informative.
- Informed and sensitive to factors that affect levels of involvement and be able to design effective and interactive ways of getting information to people and facilitating effective involvement.
- Must be sensitive and respectful of stakeholder views, feelings and culture.
- Preferably able to facilitate in the local language.

2.8 Documenting Stakeholder Engagement and Keeping Records

The stakeholder database is an essential tool throughout the life of the project, not just during the impact assessment process. It can be used to capture all of the data on the stakeholders including their contact details, location, categorisation, issues raised, the details of specific interactions with them (dates, venues and types of interactions) and the responses given. It is an essential tool for analysis – it can be used to categorise the stakeholders according to their level of interest in the project and/or by the level or manner in which they will be impacted on by the project¹. It is recommended that an Excel or other electronic database system be used to store, organise, edit and analyse the information on the stakeholder engagement process. The table below provides an example of a typical Issues Response Trail Table for an impact assessment.

There are some ethical practices with regard to record keeping that for ESIA practitioners and stakeholder engagement facilitators. Firstly, stakeholders should consent to notes or recordings being taken. If stakeholders have concerns about recording, the reasons should be investigated. Secondly, privacy legislation must be adhered to. Stakeholder data should not be passed on or used for any purpose other than keeping track of interactions. If people provide confidential or personal information that is entered into the database, it should be marked as confidential and treated as such. Chatham house rules could avoid persecution by one group over another or affect them negatively in the future.

Table 6: An example of an Issues and Response Trail (IRT).

| Ref | Name | Date | Issues, Concerns and Comments | Response |
|------------------------|------|------|-------------------------------|----------|
| 1 General Topic | | | | |

¹ Given the importance of including stakeholders from marginal or vulnerable groups and the need to be sensitive to the impacts on them, it will be important to categorise the interactions with these groups differently to other stakeholders.

| 1.1 | Name <i>Association (if applicable)</i> | Date of Comment <i>Where the comment was made</i> | Comment Issue: What is the IAP's Real Concern | Response from the EAP |
|-----|----------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------|-----------------------|
|-----|----------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------|-----------------------|

EXAMPLE:

2 Issues related to the development

| | | | | |
|-----|-----------|---------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|
| 2.1 | Mr Weston | E.g.: 09.03.2007 <i>Public Meeting – Cannon Rocks Community Hall</i> | Please advise when construction on this development is planned to commence. Issue: Development timeline | Construction for this development is subject to the outcome of this ESIA and no timing is available. |
|-----|-----------|---------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|

2.9 Common difficulties in stakeholder processes

There are frequently problems encountered during stakeholder processes, the following some of the more common ones

Differences in access to information

Stakeholders cannot participate effectively in impact assessment processes unless they have the relevant information and can understand it. Different stakeholders have different degrees of access and levels of understanding. Language barriers, education levels, culture, experience and access to communications networks, transport systems and different forms of media all play a role. To achieve compliance with the "Free prior and informed consent" clauses, engagement strategies need to be tailored to the specific resources of each stakeholder group. The methods and tools recommended in various sections of these guidelines will help to develop effective engagement strategies. Additionally, POs may be tempted to retain information that is not proprietary in order to manipulate the outcome of the process and facilitators must take special caution against this happening. If this happens the PO may get a bad report on the stakeholder process and affect its ability to be certified.

Lack of understanding of spatial and temporal extent of biofuel developments by local residents

Isolated rural residents and local leaders in developing countries may have difficulties understanding the large scale of commercial biofuel developments. They are likely to expect the project to be initiated immediately. They may not grasp the spatial extent of the development and the degree of landscape transformation. Often these stakeholders are unfamiliar with reading maps. They may find it difficult to anticipate the potential impacts.

A targeted programme of educating representatives should be built into the consultation process. Sometimes it is necessary for the stakeholder facilitators to identify and assess the significance of the impacts on behalf of the stakeholders.

Lack of understanding of cultural and traditional livelihoods and land use practices by developers and their employees, plus government officials

Most POs of biofuel developments will be commercial farmers, industrialists, brokers or financiers with a western education and world view. They will have a very limited knowledge of local language, culture, traditional livelihoods and land use practices. Many government officials may have negative attitudes towards traditional rural people and their livelihoods. They cannot appreciate the impacts a biofuel development may have on local residents, or appreciate the social constraints to various project options. This often results in proponents and government officials underestimating the impacts and making impractical proposals. Stakeholder facilitators need to make the proponents aware of the local context, and to help them find more practical and appropriate solutions/options.

Differences in the abilities, resources and willingness of stakeholders to participate

Impact assessment stakeholder engagement often reflects significant differences in participation levels. This is usually due to differences in the abilities, resources and willingness of the stakeholders to participate. This can be somewhat countered through a strategically tailored engagement process. When this is not sufficient, stakeholder facilitators must assess impacts on behalf of under-represented stakeholders.

Gatekeepers

Some local leaders or stakeholders insist on speaking on behalf of residents. Where they want to see the development proceed and anticipate opposition, they may actively try to prevent the stakeholder facilitators from speaking to opponents. Leaders may withhold information about other potential stakeholders. A big incentive for gatekeeping is the desire to monopolise the socio-economic benefits of a commercial development. Consequently, the stakeholder facilitators need to counter gatekeeping (i.e. sourcing information from a variety of sources, getting assistance from other stakeholders, etc). Where counter measures fail, the stakeholder facilitators will need to report on underhand behaviour.

Influence of political dynamics and agendas

Attitudes towards particular biofuel developments will be influenced by the broader socio-economic and political context. Elections can have a strong influence on local sentiments, particularly if politicians use the project in electioneering. Political rivalries can also influence local attitudes and the participation of stakeholders. Natural disasters can influence participation and attitudes. This broader social and environmental context needs to be taken into consideration during impact assessment processes. Where contexts undermine the stakeholder engagement, the stakeholder facilitators will need to report on these problems.

Stakeholders who attempt to block a development

Given the provisions for “Free, Prior and Informed Consent” and consensus building in the RSB principles, it may be possible for some stakeholders opposed to a biofuel development to prevent the developers from obtaining RSB certification. This could include competitors or local residents not prepared to accept changes to their environment or traditional way of life. Some environmental or land rights NGOs may not accept changes in the environment or resettlement of residents. The guidelines provided herein should be effective in dealing with these issues and finding solutions. However, where it is not possible to reach consensus through consensus building, the RSB auditor will need to decide whether there is significant agreement by directly impacted stakeholders to award certification. Opposition from directly affected stakeholders is considered more serious than opposition from interested stakeholders. However, no matter what agreements are reached, if the development does not comply with the RSB standard it cannot be certified.

Conflict

Conflict is a normal part of human relationships and the potential for this around biofuel developments is discussed in the following sections.

2.10 Building Consensus

RSB Criteria 2b requires that “ Free, Prior & Informed Consent (FPIC) shall form the basis for the process to be followed during all stakeholder consultation, which shall be gender sensitive and result in consensus-driven negotiated agreements. The sub-sections which follow discuss the need for consensus and provide a definition. This is followed by some guidelines on building consensus.

Why build consensus?

No society can be successful and sustainable over the long term unless the members are willing to work together for mutual gain. Oppression has a tendency to breed resistance and conflict. Resistance to oppression is likely to escalate until a resolution is found. Hence the search for social and economic justice, poverty alleviation, development, new forms of energy, climate change mitigation, conservation, etc.

What is consensus?

Consensus is often assumed to mean complete agreement or unanimity. However this is usually not possible. Any insistence on unanimity could result in the victimization of directly affected hold-outs. While unanimity should be striven for, “significant agreement’ is more realistic.

Consensus, in the RSB standard is defined as the absence of sustained opposition, but there are some cases where sustained opposition may be accepted. As indicated previously, if unanimity is not achieved then a Stakeholder Engagement Report needs to be provided to the RSB auditor explaining the process followed, and who is opposed to the proposals and their reasons. When deciding on certification for the biofuel operation, the auditor considers the extent of stakeholder agreement and/or opposition, the types of stakeholders opposed to the proposal(s), their reasons, and whether the proposal complies with the RSB principles.

Consensus should be the outcome of a collaborative effort to find a solution that addresses the interests of all the stakeholders. In this case ‘interests’ are defined, not as demands, but as the “underlying needs or reasons that explain why the particular stakeholder takes the view that they do” (MIT, pg 3). Further, consensus is achieved when the overwhelming majority of stakeholders agree that they can live with the final decision or proposal. Consensus building therefore corresponds to the ‘free, prior and informed consent’ aspect of the RSB Principle 2. Stakeholders will need to be consulted, given appropriate and enough information for decision making and and they must get this information early enough in the process to formulate a view.

How to build consensus

Participation, transparency and cooperation are the keys to building consensus. Consensus is built when all the affected and interested stakeholders are given an opportunity to participate in decision making, to share information, to be heard, to discuss their interests and concerns and to come to an agreement about what to do.

It is only possible to reach consensus if all the stakeholders are willing to negotiate a settlement. If one or more stakeholders are unwilling to negotiate, there is no basis for building consensus. If the uncompromising stakeholders are directly affected one cannot proceed further. If they are only interested parties, negotiations could proceed without them.

There are a variety of ways in which consensus can be achieved. The most well known methods are the alternative dispute resolution methods outlined below. However, the impact assessment processes are also designed to foster consensus.

Consensus building in the Impact Assessment Process

The ultimate goal of the impact assessment process is to ensure that the proposed project is developed in a manner that minimizes the negative impacts on the environment and the affected stakeholders and maximises the benefits.

Unfortunately, conventional impact assessment processes do not give affected stakeholders the authority to approve the proposed development. The ultimate decision rests with government authorities. However, the stakeholder involvement and concerns in the final reports informs decisions. Authorities are usually legally required to take the concerns of affected stakeholders into account. Fortunately, political processes encourage the authorities to consider public opinion. The RSB auditors also assess consensus before awarding certification.

2.11 Conflict management

Most conflicts arise from different expectations, objectives and misunderstanding. They can also be due to uneven distribution of costs and benefits. Conflict can arise, for instance, where large scale biofuel developments are initiated by foreign companies (or urban commercial developers) in poor traditional rural areas where communal forms of tenure exist. It may also arise if commercial operators wish to destroy unique or important ecosystems.

Language barriers, different world views and values, different traditions and understanding of land tenure rights exacerbate conflict.

The types of conflicts that could potentially arise with biofuel projects include but are not limited to:

- Conflicts between company and host or neighbouring communities over:
 - land and the loss of land by local residents
 - access to natural resources
 - the number of jobs and who gets jobs
 - employment practices and working conditions
 - the terms of outgrower contracts and the prices
 - competition between the company and local farming households for labour
 - the compensation for resettlement or loss of land and natural resources
 - movement or disturbance of graves and other sacred places
 - the management of settlement and infrastructure development
 - traffic accidents and safety
 - crime – causes and management
 - the burning of vegetation

And

- Conflicts between company and government
- Conflicts between local residents and government officials

- Conflicts between environment and conservation NGOs and company/government
- Conflicts with other NGOs and the company/government
- Conflicts between villages
- Rivalries between villages due to differential benefits and costs from the development
- Conflicts between biofuel farmers and neighbouring farmers and residents

Conflict can be managed to ensure beneficial outcomes for all stakeholders.

Who should facilitate consensus building?

Participants may decide that one of their members should facilitate or chair the discussions. In very conflictual situations it is often better to get trained and independent person(s) to facilitate the decision making process.

It is often best to get an outside group or service provider to take on the facilitation role. Several members of a team can undertake different tasks such as overall facilitation, note (and minute) taking, etc.

Consensus building can take much time and effort, and most of these costs will be borne by the developers. Other stakeholders usually cover their own costs (i.e. of time and transport).

Role of the Facilitator in Consensus Building

The facilitator should have mediation skills. The role of the facilitator is to:

- a) Identify who should participate in the discussions and get them to the table.
- b) Manage the decision making process in a neutral and non-partisan manner.
- c) Get the participants to define the agenda and ground rules.
- d) Play the role of referee on compliance with ground rules.
- e) Get participants to express their own views and to listen to those of other participants.
- f) Focus on an agreement that meets the underlying needs (not demands) of everyone.
- g) Facilitate a brain storming session to identify options – getting everyone to contribute.
- h) Get all the participants to consider all the options.
- i) Record all the discussions that all the participants can refer to. It is recommended that these notes be made on large sheets that are visually displayed for all the stakeholders to see.
- j) Help participants to report back on the engagement process and its outcomes
- k) Test whether the options being proposed are acceptable and if they are not acceptable to some groups – identify adaptations to the proposals to make them more acceptable.
- l) Get the participants to help find a solution that meets everyone's interests.

There is a difference between facilitators and mediators. Facilitators usually only engage with stakeholders when they are all together at the negotiation table. Mediators will work with the individual stakeholders before, during and after the face-to-face discussions between stakeholders. They facilitate caucusing activities with each of the stakeholder groups.

Considering the broad scope of the RSB principles, the role of the facilitator/mediator will need to extend beyond being a non-partisan referee. They will also have a responsibility to ensure that any agreement reached is fair and implementable.

Conflict Resolution

Conflict resolution in the context of the RSB standard follows international best practise. The RSB has developed a standard on dispute resolution (RSB-STD-65-001) which should be used in the even of conflicts or disputes. In annexe 2 of this document, guidelines to deal with conflict can be found and used, if helpful by the facilitator.

ANNEXE 1- EXAMPLES OF MAPPING DURING PARTICIPATORY PLANNING PROCESSES

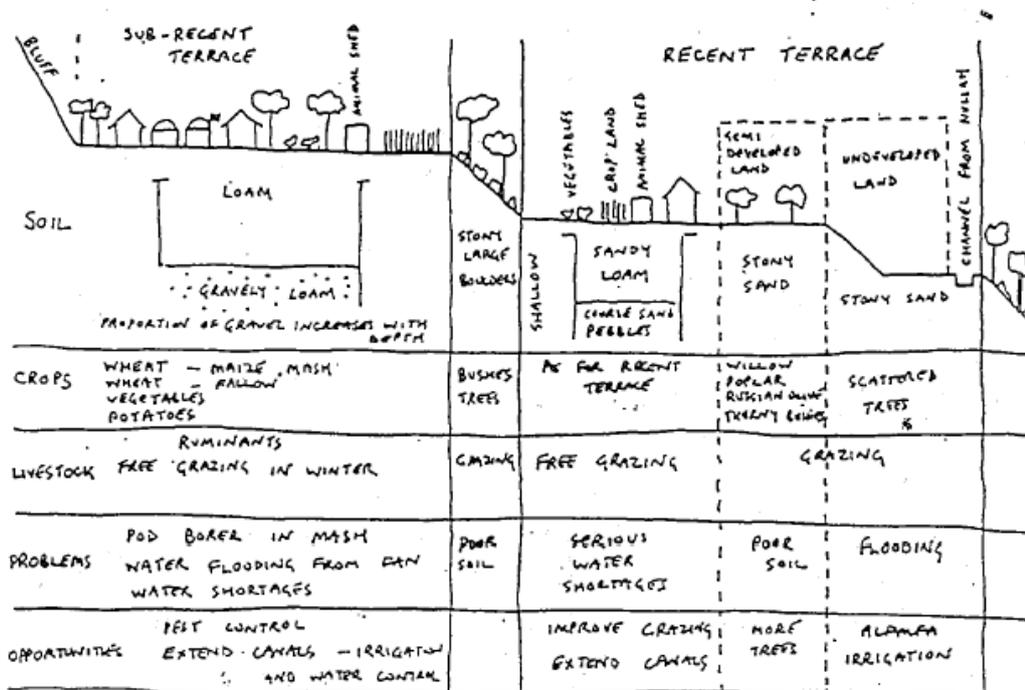


Figure A.1.1: Illustration of the results from a transect of a village developed together with one or two local residents

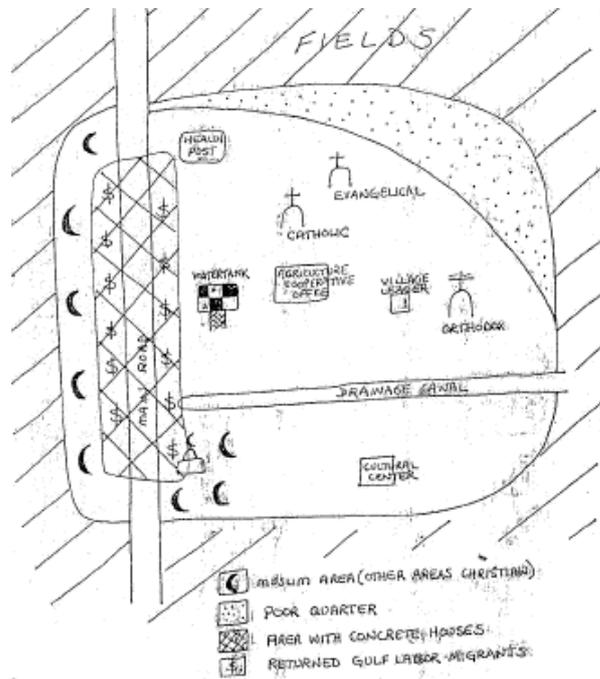


Figure A.1.2: Participatory map of a village constructed by residents.

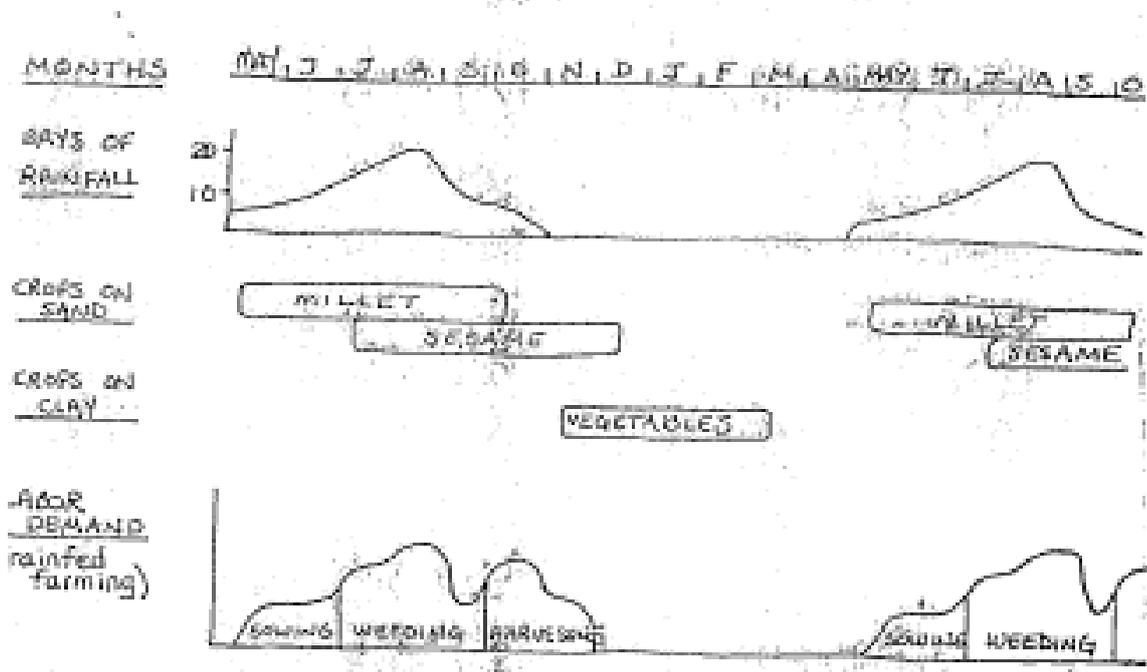


Figure A.1.3: Seasonal diagram developed by village residents illustrating the annual trends in rainfall, cropping and labour demands.

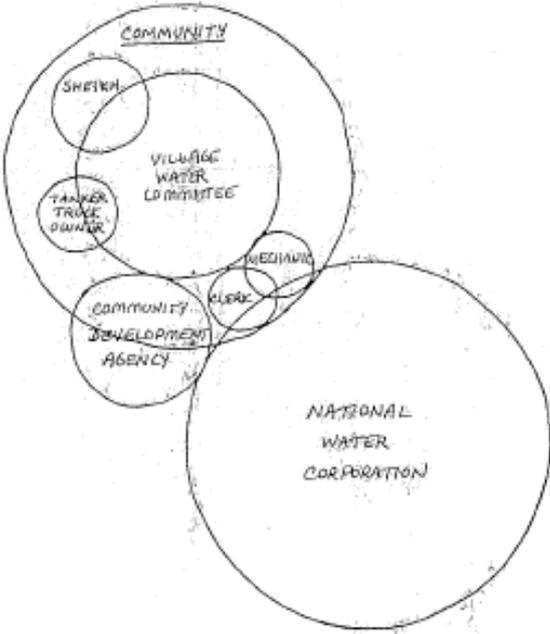


Figure A.1.4: Venn diagram illustrating the relationships between different organisations within a village.

ANNEXE 2 – DISPUTE RESOLUTION AND BREAKING DEADLOCKS

Conflict Analysis

In traditional conflict management situations, the external facilitators/mediators will usually undertake their own assessment of the conflict during the early stages. The issues will be investigated using confidential interviews with key stakeholders. When talking to stakeholders, the assessor will try to discover the following elements:

- history of the conflict
- the physical and organisational settings of the conflict
- the parties involved
- the causes of the conflict

Conflict Assessment Report: A written assessment will identify issues of contention, stakeholders, interests, disagreements and common ground. The report will assess whether consensus building process is viable and how to structure it. The initial draft is presented orally or in writing to the stakeholders who are given an opportunity to comment, with responses included in the report.

The methods outlined in sections above for analysing stakeholders in an impact assessment process can also be used to analyse the potential for conflict. The incorporation of the stakeholder engagement results into the impact assessment reports performs a similar function to the Conflict Assessment Report mentioned above. The mitigation measures and Management Plans developed as part of the ESIA will recommend how conflicts can be managed, benefits can be maximised and the negative impacts minimized.

Conflict resolution processes

The resolution of conflicts through legal proceedings should be avoided due to the expense and inequalities in access. It is recommended therefore that conflicts are resolved through a variety of non-violent extra legal methods generally referred to as “Alternative Dispute Resolution” (ADR) and “Dispute Resolution”. These methods include the following:

Negotiation

Discussions amongst the affected parties with the objective of reaching agreement.

Mediation by a neutral third party facilitator

A voluntary and confidential process that involves a neutral third party facilitator (not decision maker) assisting the affected parties to discuss the issues and negotiate an agreement. This process involves gathering information, analysing the issues, developing options, negotiating and formalising the agreement.

Arbitration by a neutral third party

In this process the neutral third party decides how the conflict should be resolved after investigating the issue and hearing the views of both sides. In other words the participating stakeholders give up their power to make the final decision. The decision becomes binding on all parties involved. This method is often used in commercial and labour disputes.

Mediation-arbitration.

This involves a combination of both of the above. Before initiating the process, the parties involved agree to try mediation first, and if this is not successful, the facilitator is given the mandate to make a binding decision.

(Source: Mining Tool Kit).

The table below provides an outline of a standard conflict resolution or ADR process based on negotiations between the participants. This standard process can be modified to accommodate the needs of the Mediation and Arbitration processes. This process involves getting the stakeholders to agree to a dispute resolution process, appoint facilitators, decide how to proceed and get the large stakeholder groups to elect representatives for the negotiation process. The initial phase involves developing and agreeing on ground-rules, procedures, roles and responsibilities. Thereafter the deliberations take place until a decision is made. The implementation process is initiated through a process of signing the agreements. For ongoing relationships between stakeholders it is also advisable to include activities that will advance organisational learning and development over time.

Table 1: Steps in a Negotiated Dispute Resolution Process

| # | Steps in a Negotiated Dispute Resolution Process |
|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | <p data-bbox="289 1066 440 1098">CONVENING</p> <ul style="list-style-type: none"> <li data-bbox="289 1121 894 1152">• Discuss & agree on consensus building process <li data-bbox="289 1173 711 1205">• Undertake Conflict Assessment <ul style="list-style-type: none"> <li data-bbox="337 1226 954 1257">a. Appoint someone to undertake the Assessment <li data-bbox="337 1278 792 1310">b. Identify first circle of stakeholders <li data-bbox="337 1331 829 1362">c. Identify second circle of stakeholders <li data-bbox="337 1383 704 1415">d. Complete initial interviews <li data-bbox="337 1436 797 1467">e. Prepare Draft Conflict Assessment <li data-bbox="337 1488 865 1520">f. Review and Finalise Conflict Assessment <li data-bbox="337 1541 862 1572">g. Meet to consider the recommendations <li data-bbox="289 1593 667 1625">• Decide whether to proceed <ul style="list-style-type: none"> <li data-bbox="337 1646 818 1677">• Identify appropriate representatives <li data-bbox="337 1698 1252 1730">• Identify missing stakeholders likely to affect the credibility of the process <li data-bbox="337 1751 824 1782">• Use facilitated caucusing if necessary <li data-bbox="337 1803 997 1835">• Use proxies to represent Hard-to-Represent groups |

| # | Steps in a Negotiated Dispute Resolution Process |
|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <ul style="list-style-type: none"> • Identify possible alternative representatives • Locate the necessary funding |
| 2 | <p>CLARIFYING RESPONSIBILITIES</p> <p>a) Clarifying roles & responsibilities of Facilitators, Mediators and Recorders</p> <ul style="list-style-type: none"> • Selecting a facilitator or mediator & clarify roles • Select a recorder & clarify role • Form an executive committee & clarify role • Consider whether to appoint a Chairperson <p>b) Set rules for participation of observers</p> <p>c) Set an agenda and ground rules</p> <ul style="list-style-type: none"> • Specify a timeframe • Finalise procedural ground rules • Require all stakeholders to sign the ground rules • Make sure that all stakeholders have copies of these ground rules • Clarify the extent to which precedents are or are not being set <p>d) Assess Computer-based Communications Options</p> <p>e) Establish a mailing list</p> |
| 3 | <p>DELIBERATING</p> <ul style="list-style-type: none"> • Pursue Deliberations in a Constructive Fashion <ul style="list-style-type: none"> • Express concerns in an unconditionally constructive manner • Do not expect any one to give up their interests to ensure harmony and success • Engage in active listening • Disagree without being disagreeable • Strive for the greatest degree of transparency possible • Separate Inventing options from Committing <ul style="list-style-type: none"> • Strive to invent options of mutual gain • Emphasise packaging of multiple issues and sub-issues (to facilitate trading items and options) • Test options by playing the game of “What if?” |

| | |
|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <ul style="list-style-type: none"> • Create Sub-committees and seek expert advice <ul style="list-style-type: none"> a) Formulate joint fact-finding procedures b) Identify expert advisors c) Organise Drafting or joint fact-finding Sub-committees d) Incorporate work of subcommittees or expert advisors • Use a “Single Text Procedure” <ul style="list-style-type: none"> • Facilitator to draft preliminary proposals • Brainstorm to expand the range of proposals being considered and new packages • Agree to withhold criticism during brainstorming new options • Avoid attribution and claiming individual authorship of proposals • Search for contingent options – opponents must propose changes that would make the options acceptable • Modify the Agenda and Ground Rules (if necessary) <ul style="list-style-type: none"> • Reconsider the responsibilities, obligations and powers of sponsoring agencies and organisations • Reconsider the obligations and powers of the late arrivals • Review the process whenever project activities or major stakeholders change, at least once a year. • Complete Deliberations |
| 4 | <p>DECIDING</p> <ul style="list-style-type: none"> • Try to maximise Joint Gains <ul style="list-style-type: none"> • Test the scope and depth of any agreement • Use straw polls • Seek unanimity • Settle for an overwhelming level of support • Make every effort to satisfy the concerns of holdouts without compromising the support of other participants • Keep a Record <ul style="list-style-type: none"> a. Maintain a visual summary of key points of agreement and disagreement b. Review written versions of all decisions before they are finalised c. Maintain a written summary of every discussion for review by all participants |
| 5 | <p>IMPLEMENTING AGREEMENTS</p> |

| | |
|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <p>Seek ratification by constituents</p> <ol style="list-style-type: none"> 1) Hold representatives responsible for canvassing constituent responses to a penultimate Draft 2) Hold representatives responsible for signing and committing to a Final Agreement in their own name 3) Include necessary steps to ensure that Informal Agreements are incorporated or adopted by whatever formal mechanisms are appropriate 4) Incorporate appropriate monitoring procedures 5) Include Grievance Procedures or Dispute Resolution Procedures in the Agreement in case things change or problems arise. |
| 6 | <p>ORGANISATIONAL LEARNING AND DEVELOPMENT (relevant for permanent relationships and institutions)</p> <ol style="list-style-type: none"> 1. Need to invest in organisational learning <ol style="list-style-type: none"> a) Set aside time to reflect collectively on what has been learnt – successes and failures 2. Invest in organisational development <ol style="list-style-type: none"> a) Provide training where needed b) Consider and implement changes to improve organisational structure and functioning |

Source: Massachusetts Institute of Technology. Public Dispute Programme. Part of the Inter-University Programme on Negotiation at Harvard Law School. A Short Guide to Consensus Building. Available at: http://web.mit.edu/publicdisputes/practice/cbh_ch1.html).

Tools for breaking deadlocks and building consensus

The consensus building and dispute resolution processes outline above should be able to deal with most conflicts. However, it may be necessary to make use of additional tools to break deadlocks. Many of these tools are described below.

Caucusing

If the participating stakeholders find it difficult to proceed with discussions in a combined meeting (negotiating around the table), then provide opportunities for each stakeholder group to caucus (discuss amongst themselves with the facilitator) before and after the talks around the negotiating table. This provides each group with the opportunity to think through, debate and decide on their proposals and responses in an environment that is supportive and conducive. It can help build confidence and improve the participation of marginal groups.

Single Text Procedure

The 'Single Text Procedure' can be used by facilitators to reduce the potential for emotional reactions. In some cases, due to personal antagonisms and lack of trust, stakeholders may take

a dislike to particular individuals or stakeholder groups. In this situation the facilitator can develop a proposal (in writing) and use a series of caucus meetings with individual stakeholder groups to refine the proposal until there is unanimity. In modifying the proposal, the facilitator keeps the identity of 'change agents' confidential. This removes personality clashes from the process.

Working together to create new value and brainstorming

Sometimes deadlocks arise because stakeholders are greedy – trying to secure as much of the benefits as possible for themselves. Consequently, any gain by others is seen as a loss for themselves. One needs to get everyone to work together to find new options that increase the benefits for everyone – to expand the gains or create new value.

Deadlocks may also occur in cases where the proposals are not acceptable to key stakeholders. One must find other options that are acceptable to everyone. Brainstorming with all stakeholders around the negotiation table, or in caucuses, is helpful. Get all the stakeholders to:

- look for options that would be mutually beneficial for all the stakeholders
- look for options with multiple components that could satisfy a variety of interests
- refrain from criticising options when they are initially proposed

One way is for the facilitator to ask 'What if' questions (sometimes confidentially), this may be one of the most useful ways of facilitating this creation of new options.

Once the new options or value has been created, the task becomes one of managing the tensions between creating and claiming value (tension between cooperation and competition).

Packaging multi-option solutions

Finding multi-option proposals is recommended as a way of breaking deadlocks as they can facilitate trading between stakeholders. This opportunity arises in cases where the different stakeholders value the various elements of the proposal differently. For example, a local community may be prepared to sacrifice a portion of their land to the project (because they do not value it highly) if the developer agrees to employ them to clear the land and allows them to have access to the timber that is cleared from the land. If the developer is planning to clear the land and does not value the timber highly, then they are likely to be agreeable to the community's proposal. This aspect of the proposal would then benefit both parties.

Establishing sub-committees and getting advice from experts

Deadlocks may also arise over a lack of information, or disagreements over the validity of information. Set up fact-finding sub-committees representative of all the key stakeholders, or to get advice from experts. The information can then be used to resolve the differences or move discussions forward.

Dealing with hold outs

The process may become deadlocked due to some stakeholders who find the proposal unacceptable and 'cannot live with it'. These stakeholders should be asked to suggest a modification to make the proposal more acceptable (without making it less acceptable to anyone else).

If they can find such an amendment then the deadlock should be resolved. If not, one accepts that complete consensus is not possible, and that an overwhelming agreement is the best compromise. As indicated previously, if unanimity is not achieved, then the RSB-accredited auditor must assess if sufficient consensus (ie. the overwhelming majority of stakeholders) has been achieved.

Dealing with disruptive behaviour

The problematic behaviour of a stakeholder or observer can also disrupt the process of resolving conflicts. In these situations the following sequential course of action is recommended:

- The facilitator should remind the person(s) of the ground rules
- Ask the participants with the closest ties to the problematic individual to reason with him/her
- Adjourn the meeting to provide an opportunity for the group to convince the person to comply with the ground rules or leave the meeting
- Contact the civil authorities for assistance with removing the problematic person

Arbitration

In cases where it is not possible for the key stakeholders to agree, arbitration is useful. This involves the stakeholders giving up their right to make the decision themselves and giving that responsibility to an independent observer. The decision made by the observer would then be binding for all parties.

This is similar to a litigation process where the judge and/or jury make the decision. However, arbitration is not constrained by the rules of the courts and laws, and a decision can be made quickly and less expensively.

Arbitration is often used in labour disputes. Arbitration can be useful where there is major disagreement between various stakeholders which all have a valid view in terms of the RSB standard. It is less useful when dissenting views are based on issues not covered under the RSB standard.

Grievance management

The adoption of a Consensus Building and Dispute Resolution Processes are the best ways to ensure that an agreement is reached. However, it is still possible that conflicts and grievances may arise during the process of implementing the agreement. A grievance mechanism will allow aggrieved people to voice concerns and, if necessary, for corrective action to be taken timeously. Such mechanisms are fundamental to achieving transparency and accountability in

any agreement.

The Grievance Procedures must describe the step-by-step process for registering and addressing grievances, including cost effective processes for registering and recording complaints, responding to complaints and for communication between the stakeholders. The procedures should also include provision for appeals and for litigation processes if the other options fail. All the affected stakeholders need to be informed of these grievance procedures.

ANNEXE 3 – FURTHER READING

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