



Community Engagement Handbook for Chinese International Contractors

2021 Edition

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for Chinese International Contractors

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Foreword

Fulfilling social responsibility is a critical guarantee and path choice for businesses and stakeholders seeking common growth. Integrating social responsibility into corporate strategy and day-to-day management promotes long-term profitability and sustainable development, protects the legitimate rights and interests of employees and other stakeholders, creates a preferable external business environment, and ultimately realizes the common, sustainable, and harmonious development of enterprises and the environment.

Since 2000, the speed of Chinese companies "going out" has quickened substantially. A considerable number of infrastructure projects in China's International contracting industry have been completed, especially after the proposal of "Belt and Road" Initiative. According to the Ministry of Commerce's data, China's international contracting enterprises completed a turnover of US\$155.94 billion in 2020, with freshly signed contracts totaling US\$255.54 billion. This covers a number of sectors, including transportation, electric power, general construction, petrochemical, communications, municipal engineering, and other industries with more than 190 nations and territories across the world. Chinese enterprises signed 5,611 contracts for international contracting projects in 61 countries along the "Belt and Road," with the contract value of US\$141.46 billion, accounting for 55.4% of China's international contracting projects' contract value in the same period; the completed turnover is US\$91.12 billion, accounting for 58.4% of the total amount in the same period.

The international community has become increasingly concerned about the business behavior of Chinese enterprises as the scale of their international contracting industry and its influence has grown. Social and environmental risks have gradually become important, making them impossible to be ignored in the process of Chinese foreign contracting enterprises' globalization. Because of the effect of area and culture, managing foreign community connections, particularly community communication and community integration, has become a significant problem influencing the industry's long-term development. Individual businesses have experienced significant economic and reputational losses as a result of project delays caused by insufficient community outreach and even the suspension of ongoing initiatives.

Although many community communication technologies are available globally, Chinese firms have challenges in understanding and utilizing them due to cultural differences. As a result, Chinese companies require a set of community communication tools tailored to their own discourse system, mindset, and behavioral patterns to effectively identify communication targets and select appropriate communication methods in community integration, resulting in the long-term development of both companies and local communities.

To this end, in 2017, SynTao and the School of Economics and Management of Tsinghua University jointly published the Community Engagement Guideline for Chinese Enterprises' Overseas Investment (the Guide). In 2018, with the assistance of the Beijing Representative Office of The Asia Foundation (USA), a project team led by the CCR CSR Promotion Center and experts from SynTao and the China International Contractors Association (CHINCA) developed the trial version of the Community Engagement Handbook for Chinese International Contractors (the Handbook). The Handbook is the first practical handbook co-created and copyrighted by the CHINCA and SynTao to provide community engagement support for Chinese companies operating in the global context. SynTao, in collaboration with partners such as CHINCA and Asia Foundation's Beijing Representative Office, developed a series of training programs based on the Guide and the Handbook over the last three years to provide training opportunities to empower businesses and civil society organizations. To date, this program has offered specialized training to over 200 enterprise workers, resulting in positive feedback from companies and improving their sustainability. However, the project team recognized the need to revise and improve the Manual's content. They identified the need to add the most recent practices and cases of Chinese enterprises' overseas community communication to meet the development needs of the international contracting industry.

Based on this need, with the help of the FCDO's UK-China Infrastructure Programme, SynTao and CHINCA revised the Handbook to become the Community Engagement Handbook for Chinese International Contractors (the new edition of the Handbook) in 2021. In order to make the content more relevant and practical, the project team made the following updates to the new edition of the Handbook. Firstly, a clear definition of "community communication" is provided in line with international standards. Secondly, the concept of inclusive social development is added to deepen the communication with stakeholders. Thirdly, the concepts of climate change and ESG investment are included to respond to the continuous concern of environmental and social issues through the ESG and SDGs angles.

The revised version of the Handbook is intended for multinational contracting firms that want to be, or are already are, active in overseas infrastructure investment and development. Furthermore, it may be utilized by stakeholders involved in the long-term operation of businesses globally, such as NGOs, governments, industry associations, financial institutions, and other sorts of organizations. For practical reasons, it will be utilized primarily by project-level managers, such as personnel from community engagement, public relations, and social responsibility, and by managers from other key support departments and headquarters.

We look forward to hearing from stakeholders on the most recent practices and ideas in this field, and the project team will continue to update and enhance the new edition of the Handbook when it is released.

Part I

Overview

In the process of international contracting projects, strengthening community engagement with multi-stakeholders is an effective way for Chinese enterprises to implement and promote policy communication, facility connectivity, trade flow, and capital integration. It runs through all aspects of the investment process and throughout the lifecycle of projects.





1. Understanding of Community Engagement

Poor stakeholder interactions may put a company's profitability and reputation at risk. Community engagement is an important component of a company's efforts to interact with its stakeholders. As a result, businesses should incorporate community connections into their risk management efforts. In dealing with community relations, the risk of conflict between the community and the enterprise can be identified, assessed, prevented, mitigated, and resolved early by establishing good community contact and interaction mechanisms and timely disclosure of information of concern to the community. This can reduce the capital and manpower costs incurred when projects are implemented. Thus, from a risk management standpoint, investing time and effort in establishing a solid community engagement plan from the start of a project may provide actual advantages through successful community engagement methods.

It is critical to emphasize that community engagement is not an end in itself, but rather an effective means for companies to build good long-term relationships with communities, gain social recognition from a broader range of stakeholders, respond to topical social issues (e.g., climate change, socially inclusive development, etc.), and ensure that projects are successfully carried out at the community level.

In many ways, community engagement is critical. It may promote mutual understanding and consensus between the firm and the local community, resolving possible conflicts between project operations and the local community, and sharing the rewards of growth with the community. According to research, while initial community participation costs money and time, successful community engagement enhances the project's efficacy and sustainability. As a consequence, harmonious community relations can offer larger economic advantages to the project itself.

There are numerous difficulties and challenges related to community engagement, such as information lags and inefficiencies caused by corporate management structures, restrictions from local governments and partners, competing interests between companies and local communities, and Chinese companies' lack of understanding and implementation community engagement. As a result, there is no absolute best approach, but rather the considerations of the characteristics of the project itself, such as its nature, location, scale, stage of development, and the needs and characteristics of the local community itself¹.

While community engagement activities can take various forms, it is critical to understand that it is essential to develop long-term connections with the community via effective communication and achieve wide social consent. Otherwise, a focus on short-term advantages (e.g., negotiating the lowest feasible compensation rate) may make it impossible for businesses to operate successfully in the region.

¹ C.P. Kottak. (1991). when People Don't Come First: Some Sociological lessons from Completed Projects. In M.M. Cernea, ed. Putting People First: Sociological Variables in Rural Development. New York: Oxford University Press.

2. Principles of Community Engagement

Equality and Mutual Benefit

Community engagement is founded on equity and mutual benefit, and every communication between companies and communities should be based on equality and mutual respect, guaranteeing fair treatment for each set of interlocutors. Businesses should engage in positive engagement with the communities in which they operate. The objective of conversation should be to understand the needs and problems of the community; it should be constructive and cooperative rather than combative. Dialogue should be genuine, honest, and accessible rather than given solely through cold words. A code of behavior must also be followed, and bribes must be avoided.

Seeking Common Ground While Preserving Differences

As the old saying goes in China, a gentleman makes peace but differs. There are common goals for peaceful coexistence and even win-win collaboration among businesses and communities, but there are also conflicts of interest in resource allocation. It is recommended that businesses use shared demands as a starting point for communication, expand the extent of resource sharing within the limits of their own company and ability, and actively respond to and satisfy the acceptable demands and expectations of the community. Matters that cannot be agreed upon immediately, if they do not significantly impact the overall project, can be revisited when the conditions are favorable. To foster communication and mutual trust, enterprises might engage in community exchange and service activities such as education, culture exchange, sports, and health and wellness.

Two-way communication

Enterprises should understand that communication is two-way and interactive, which means they must convey and communicate appropriately to their target audience while also listening to one other's ideas. Any practice that does not include talking or listening should be discontinued. In addition, businesses should reply quickly to the other party's comments, inquiries, and ideas. It is best to use various methods to completely express oneself, listen intently, and reply favorably.

Consistent Information

During the communication process, businesses should pay attention to the consistency of their messaging. This means that the primary content of messages should be consistent between groups so that hard-won trust is not significantly damaged by contradicting statements delivered in various situations. Additionally, businesses may take measures to ensure that local partners, such as suppliers, send consistent signals to communities.

Respecting Local Customs

Respecting local cultural norms and ways of behaving and considering worldwide consensus is critical for localizing and softening communication. Enterprises should prioritize the use of local languages, rather than only Chinese or English, and local idioms and colloquial interpretations of technical words. Make good use of local channels for communication, such as cultural festivals, religious meetings, and clan reunions, and avoid strictly implementing self-centered "stakeholder communication conferences." Be mindful of ethnic and religious taboos, as well as local customs.

Turning Words into Deeds

Corporate behavior is the measure by which stakeholders eventually judge firms in community engagement, and is the foundation of trust. Companies should be cautious about what they say and do, and they should avoid making quick and unrealistic promises about what things they cannot achieve. Businesses must go beyond words and take tangible steps to demonstrate ongoing improvement in response to stakeholder complaints. Enterprises must be consistent in their activities and patients' contacts with communities, constantly demonstrating transparency and responsiveness.

3. Ten Elements of Community Engagement Planning

When developing a community engagement plan, it is important to take into account the characteristics of the project and the surrounding community. While there is no one-size-fits-all 'template', a good communication plan should contain the following 10 essential elements²:

- Communication objectives
- Target Audience
- Key messages for external communication
- Communication strategies*
- Budget
- Implementation resources and attribution of liability
- Activity Agenda
- Grievance and feedback mechanisms
- Monitoring and evaluation plan
- Report

*Different communication strategies can be adopted at different stages of the project, for different issues and for different groups in the community. When choosing a communication strategy, consider the intensity of the desired contact and interaction. Choose from the following five forms of engagement defined by the International Association for Public Participation.

² Lakin N, Scheubel V. (2017). Corporate community involvement: The definitive guide to maximizing your business' societal engagement[M]. Routledge.

Table 1: Spectrum of community engagement intensity³

Communication strategies	Information Disclosure	Consultation	Community involvement	Cooperation	Empowerment
Strength of contact interaction					
Public engagement objectives	Provide objective information to the public to help them understand the potential impacts, opportunities, options and solutions of the project	Listening to public feedback and using it to analyse, select, decide	Work directly with the public throughout the project phase to ensure that public concerns are understood and considered from start to finish	Joint decision making with the public in project implementation and selection of the best solution	Making the public the ultimate decision maker ⁴

4. Priorities for International Contracting Projects

Community engagement is a long-term and continuous process, and two-way communication activities between the company and the community should cover the entire life cycle of the project. The focus should be on activities that are appropriate to the stage of the project.

It is important to note that building relationships takes time and enterprises should engage with communities as early in the project as possible, such as at the pre-feasibility or pre-prospecting stage, rather than waiting until problems arise.

The table below lists the key community engagement activities at each stage of an OFS project. The detailed steps for each communication activity are explained in detail in [Part 2: Community engagement Steps].

Table 2: Community engagement priorities at various stages of OFP projects

Project phase	Priorities
Conception and feasibility research phase	<ul style="list-style-type: none"> • Conduct community background checks. • Study the administrative licensing terms regarding policy, laws & regulations, and lenders. • Identify stakeholders and their material needs, study the social licensing terms regarding cultures, religions, social norms, etc., and identify relevant risks. • Include Environmental and Social Impact Assessment (ESIA) in due diligence.

³ IAP2's Public Participation Spectrum, International Association for Public Participation.]

⁴ This spectrum of community engagement intensity is for reference only, as there are still different interpretations of collaboration and empowerment in the industry. It is important for companies to consider the intensity of communication in relation to its performance and impact on the business and the project. The performance of communication activities is not best when the final decision is made by the public, who are sometimes constrained by their expertise to see the longer term benefits, which reflects the value of community communication in the long term. The goal of community communication is not simply to please the community, but to solve problems through communication and achieve win-win development.

Project phase	Priorities
Launch phase	<ul style="list-style-type: none"> • Form a community engagement team. • Develop community engagement strategy, identify priorities for engagement in the current phase, such as the transparency of project information. • Choose suitable community engagement tools.
Initial phase	<ul style="list-style-type: none"> • Identify key community stakeholders. • Identify community needs and risks, and propose solutions. • Formulate community engagement plans. • Establish relationships with community stakeholders. • Identify information that requires communication and negotiation with the community (such as demolition, land requisition, site selection, employment, and environmental impact assessment). • Optimize the grievance procedures.
Design, procurement, and construction phase	<ul style="list-style-type: none"> • Continuously follow up and adapt to changes in community needs. • Respond timely to community feedback. • Manage sub-contractors.
Commissioning, acceptance and close-out phase	<ul style="list-style-type: none"> • Assess the completion rate of community engagement activities. • Develop summary, report, and advice.
Operational phase ⁵	<ul style="list-style-type: none"> • Re-identify key community stakeholders in the current phase. • Re-identify community needs and risks in the current phase, and provide solutions. • Continuously follow up and adapt to changes in community needs. • Respond timely to community feedback.

⁵ More and more Chinese International contracting enterprises are transforming from single general contracting to investment. In the sense that greenfield investment is a new area for the OFSC industry, the topic of CSR risks during the operational phase should be of greater concern to the aforementioned enterprises.

5. Glossary of Terms

Chinese enterprises

Chinese enterprises referred to in this Handbook include for-profit legal entities registered in China, as well as overseas companies wholly owned or controlled by these legal entities.

Community

In terms of physical space, a community refers to a group of people gathered in the same geographical space and area, with common needs, interests, beliefs and values, who are relatively cohesive and have lasting relationships.

In terms of non-physical space, community refers to a group of people who share a sense of identity and communality in the group spirit and who are committed to a common goal.

Communities can overlap or be separated in physical and psychological space. At the same time, a community can have both a broad and narrow sense. The broad sense of community includes the government, public, media, academia, NGOs and religious groups in the country of destination, while the narrow sense of community refers only to the above-mentioned stakeholders in the project location. The communities in this new Handbook are company and project specific, and therefore in most cases refer to communities in the narrow sense. It is worth noting that many companies, when defining communities and communicating with their communities, tend to focus only on the community members directly associated with their projects, while ignoring other groups that are severely affected by the construction and operation of their projects. In fact, community engagement for vulnerable groups is important because marginalized groups are often not the main beneficiaries of projects and often suffer the most from the negative impacts of projects; and it is difficult for companies to understand the survival and specific needs of marginalized groups through community engagement and engagement with mainstream groups.⁶

Communication

Communication is a process of conveying information, ideas or feelings from one person or group to another, which involves three major components: 1) An information source, or the message sender; 2) A channel, or the medium through which a message is transmitted; and 3) A target, or the message receiver.

Communication is a dynamic process, which is not limited to the exchange of information, but also emphasizes the evolution of social relations between the two parties.

⁶ IFC. (2000). Investing in People: Sustaining Communities through Improved Business Practice.

Community engagement

Community engagement refers to bilateral communication rather than unilateral communication. The traditional approach of companies is often to gather information about the community that has a stake in the project, ignoring the importance of active community participation⁷. International organizations, on the other hand, take this very seriously and provide clear definitions. In its report, the World Bank states that while it is important to share information about the company itself with the community and to collect information from the community, this can only be considered as one-sided communication⁸. A Guide to Community Engagement for Public-Private Partnerships considers the bilateral nature of community engagement to focus on the inclusion of community interests as much as the sharing of information⁹. This means that successful community engagement is based on the sharing of information and the further integration of community interest considerations into the project lifecycle.

Stakeholders

Stakeholders are individuals or groups who are influenced by, or whose presence can also have an impact on, the decisions or production operations of the business. This influence may be positive or negative. The relationship between an enterprise and its stakeholders need not be formal. The relevance or importance of an interest is best judged by the relationship between that stakeholder and the sustainability of the enterprise, and the extent of that relationship determines the difference in the level of communication.

Inclusive development

Inclusive social development requires addressing the deep-rooted marginalization and discrimination suffered by vulnerable and marginalized groups from context to context, but typically they are women, people with disabilities, indigenous populations, ethnic and linguistic minorities, refugees and displaced populations. The inclusion of enterprises in the consideration of inclusive development is not only beneficial for their own long-term development, but also makes it easier to obtain recognition of relevant authoritative international standards and to achieve alignment with them¹⁰.

Social licence

Social licence refers to the consent, acceptance, or permission by the local community for an enterprise and its projects to continue to operate.

The acquisition of social licenses is dynamic, as stakeholders' perceptions may be influenced by various factors over time.

⁷ IFC. (2010). Strategic Community Investment: Handbook for Companies Doing Business in Emerging Markets.

⁸ World Bank Group. (2014). Strategic Framework for Mainstreaming Citizen Engagement in World Bank Group Operations.

⁹ IFC. (2019). A Guide to Community Engagement for Public-Private Partnerships.

¹⁰ Specific interpretations and examples of inclusive development are detailed in Appendix 4 of this report.



Part II

Steps of Community Engagement

The successful implementation of community communication requires not only an understanding of the overall framework, but also the precise positioning and design of each step. This section provides a comprehensive and targeted analysis of the steps to implement community communication in companies, based on a combination of literature and case studies, in order to improve the feasibility of community communication. The seven chapters in this section cover the key steps of community communication, including selection of candidates, collection of community background information, identification of community information points, selection of community communication channels, development of community communication methods, establishment of community monitoring mechanisms, and establishment of contingency plans. Each chapter has a detailed explanation of the application of the tools and corresponding case studies to ensure readability, while ensuring as comprehensive a coverage of community communication steps as possible. It is hoped that readers will be able to learn what they want to know from the different chapters in this section and put it into practice or share their knowledge on a larger scale.



1. Establishing Communication Positions and Placing Proper Personnel: Identifying Staff Responsible for Community Engagement Implementation

1.1 Establishing a Community Engagement Team

Rationale

Senior management should incorporate community engagement into the company's decision-making system and make community engagement strategy an integral part of the overall strategy for overseas investment. Companies that are in a position to do so should establish a department and position dedicated to community engagement and appoint the head of the lead community engagement department as the community engagement manager to lead the development of community engagement work.

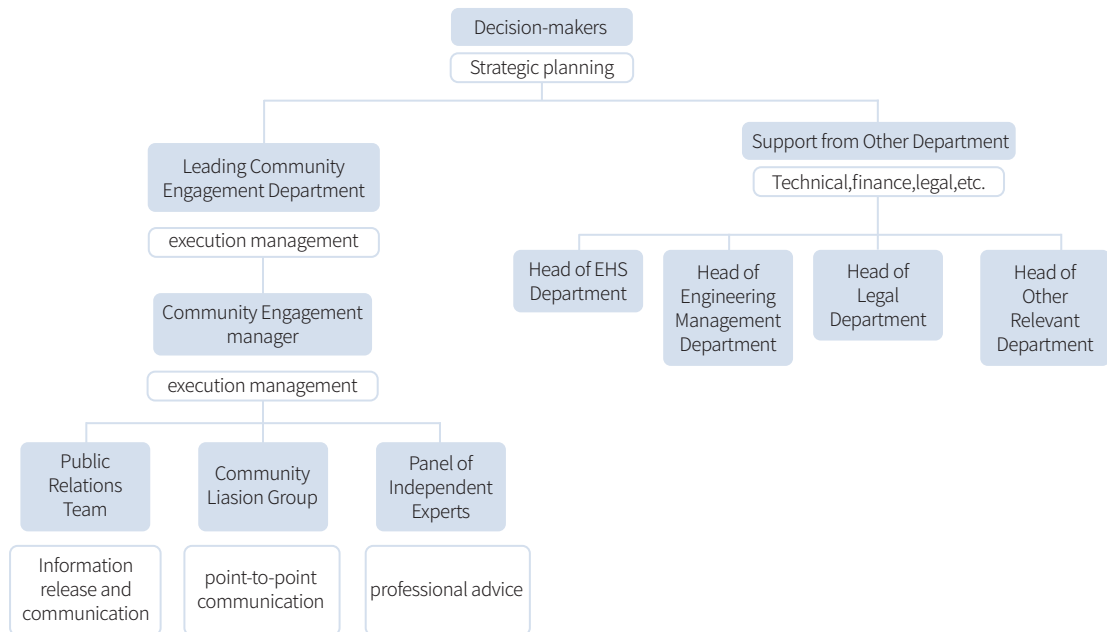
In addition to leading and managing the department that oversees community engagement, the community engagement manager should identify a senior manager at the decision-making level who clearly supports the development of community engagement activities for overseas projects, and who will communicate the company's community engagements strategic plan to other departments. On this basis, the community engagement manager, together with other relevant department heads, should form a community engagement steering group to obtain effective support for smooth community engagement in terms of technical, human, financial and important external information.

While it is necessary to set up designated

community engagement and liaison positions, enterprises should be aware that community engagement ought to be conducted by all employees and at all positions. Project site operations, procurement, human resources and other departments and positions will also have frequent and substantial contact with the community, and they undertake more substantial communication functions in practice. In addition to raising awareness of community engagement and training communication skills for all staff, full-time and part-time community engagement departments and personnel should work closely, linking different departments and communities and clarifying the authority and responsibility of each department and position.

Companies can also hire a professional community engagement specialist¹¹ in the local area after a close inspection. Local companies are more familiar with the culture, laws and customs of the community where the project is located, and they can communicate more easily with the community due to language, religion and culture factors. However, it is also important to ensure that the local community engagement company is well managed so that individual employees do not collude with the community and reveal information about the company.

¹¹ The prerequisite for engaging a community engagement agency is clear authority and responsibility and detailed due diligence to ensure that the agency is legally compliant and aware of international standards and good practice in social responsibility.



Action Points

- **Gaining support at the decision-making level**

At least one senior member of the head office should clearly indicate the importance they attach to community engagement activities on overseas projects, either in the form of company documents, leadership instructions or leadership speeches.

- **Identify the department that leads community engagement work**

Community engagement can often be led by the CSR department. When there is no department dedicated to social responsibility in the company, it can also be led by the external communications department, human resources, public affairs, etc.

- **Establishment of a community engagement steering team**

Regardless of which department leads the community engagement effort, the community engagement team should maintain close links with other departments. The involvement of other departments can be enhanced by establishing a community engagement steering group.

Action Points

<p>Identify members of the steering group, including but not limited to¹²:</p>	<ul style="list-style-type: none"> > Community engagement Manager > Head of Legal, Marketing, Human Resources, Business Development, Engineering Management, EHS, etc. > The General Project Manager may be considered to head the steering group.
<p>Identify the responsibilities of the steering Group, including but not limited to</p>	<ul style="list-style-type: none"> > Developing communication strategies, managing budgets, training staff involved in local community engagement activities > providing guidance on project implementation > managing external partners
<p>Establishment of fixed-term positions, including but not limited to¹³:</p>	<ul style="list-style-type: none"> > Manager of Community Engagement The appointment of a dedicated person as the overall person responsible for interacting with the community not only highlights the importance of this function, but also facilitates more effective implementation of the strategy and coordination of the various activities of the company. > Panel of Independent Experts External experts from local academic institutions and social organizations who understand local social structures and customs, or who are concerned with community engagement and capacity building, can be engaged in community engagement work for the company. They may be involved mainly in community background research and conflict mediation¹⁴. > Public Relations Team Represent the company to external stakeholders (including but not limited to local communities, media, NGOs, government, etc.) and participate in conflict mediation when conflicts arise. > Community Liaison Officer Representing the company in a peer-to-peer contact with the community, communicating the company's message to the residents and also communicating the community's feedback to the communication team and the company's senior management¹⁵.
<p>Specify the team responsibilities, including but not limited to</p>	<ul style="list-style-type: none"> > Internal corporate liaison, external community liaison, organization and implementation of community co-creation projects, evaluation of the effectiveness of community engagement work, documentation, reporting.
<p>Clarify the decision-making authority of each position, including but not limited to</p>	<ul style="list-style-type: none"> > The internal decision-making process and the position of each position within it, the boundaries of the decision-making authority of each position.

¹² Considering the unique customs of some communities, the gender aspect of group membership needs to be taken into account. For example, a certain percentage of members should be women.

¹³ Stakeholder Linkages Interactions: A Guidebook for Businesses Doing Business in Emerging Markets, International Finance Corporation, World Bank Group, 2007

¹⁴ When hiring a gender rights expert, refer to page 22 of UN Women's Capital Projects Report: ap-bls19062_gpp_web.pdf (unwomen.org)

¹⁵ Given that the position is built on a level of trust in the community, it may be possible to fill the position with a local employee who is familiar with local folklore and the company's business, or to train a local employee for the job.

Notes

- ✓ The size of the community engagement team should be proportional to the size of the project and the size of the community involved. As the size of the project and the community engagement activities grow, the team should also expand.
- ✓ If the community engagement position is a part-time position, the part-time employee's job duties should specify the content of his or her participation in community engagement and the assessment requirements, so as to avoid community engagement being reduced to "voluntary" work.
- ✓ The Community Liaison Officer suggests that a predominantly local population in the project area will enable communication activities to be more culturally appropriate and less intimidating for people.
- ✓ Pay attention to the gender ratio in the recruitment process for community liaison officers. This is because some women in the community may be able to express themselves more fully in conversations with female staff.
- ✓ Community Liaison Officers should be posted on the front line in the community and establish a permanent point of contact in the community. Talk to familiar faces who come to the village regularly or live nearby. Facilitate community residents to express their views in an informal way. It is more convenient and can be less intimidating.
- ✓ Clarify which matters the community liaison officer has decision-making authority over and which matters require referral to senior management. It is advisable to clarify which disputes in the community can be resolved on the spot by the liaison officer.
- ✗ **Avoid** community liaison officers who focus too much on the needs of one group at the expense of another in their community work, which may lead to the creation of new tensions or conflicting relationships.

[Tool 1.1-1] Community Engagement Manager¹⁶ Role Profile Template¹⁷

The Community Engagement Manager position is the central figure in starting community engagement activities and should have both project management and communication skills. When recruiting a Community Engagement Manager, the following job description can be used as a template for recruitings.

● Main responsibilities of the position

- > Develop, manage and communicate community engagement strategies. Contains the following elements:
- > Supporting the overall social responsibility development strategy of the company and enhancing its reputation.
- > Communicating with stakeholders to shape and enhance the corporate brand image.
- > Social good, diversified cooperation, employee involvement.

● Specific job description.

- > Develop a consistent strategy for community engagement activities to build the social impact and reputation of the business in the country where the investment is made or the region where the project is located, supporting the needs of the business activities.
- > Establish strong links with internal management to identify and create community engagement opportunities that have a positive impact, identifying and managing any potential risks.
- > Advising on community engagement activities in the country where the company is investing or within the project area.
- > Day-to-day management of community engagement teams and management of a wide network of community engagement in the country where the investment is made or the region where the project is located and even in a business unit.
- > Arrange, review and manage all external community engagement support activities and establish links with key local NGOs and community representatives.
- > Assess all community engagement activities, including all corporate overall social responsibility strategies, brand image, and reputation in the country where the investment is made or the region where the project is located. Pay particular attention to assessable ROI, as well as a continuous focus on peer companies that have achieved success in similar [countries/regions/markets].
- > Represent the business in community engagement activities with external stakeholders.
- > Share community engagement knowledge and awareness transfer internally so that other relevant departments fully understand the value of community engagement and what good communication practices are, keeping all project level departments in sync on community engagement.

¹⁶ In corporate and project operations, many community engagements manager positions are actually held concurrently by CSR managers, public relations managers, etc., and their functions are not limited to community engagements.

¹⁷ Lakin N, Scheubel V. (2017). Corporate community involvement: The definitive guide to maximizing your business' societal engagement [M]. Routledge.

● Required capacity.

Business Experience¹⁸

- > Preferably a postgraduate or similar academic background (if local, this may be reduced to a Bachelor's degree or similar, where appropriate, taking into account the level of education)
- > Knowledge and understanding of non-profit organizations, experience of working in the field of community engagements and corporate responsibility, working in the community and charity sector is a plus
- > Comprehensive understanding of the business as a whole
- > Experience in budget management
- > Experience in project management
- > Good strategic thinking and analytical skills
- > Openness to learning and understanding of topics outside the core business of the company

Communication/personal skills

- > Execution, enthusiasm, decision making
- > A deeper understanding of the importance of corporate social responsibility and brand social impact
- > Team management skills
- > Excellent communication and writing skills
- > Ability to identify information on market, industry, customer and stakeholder dynamics
- > Ability to empathise with internal and external stakeholders
- > Stakeholder management capabilities

18 The description of a Community engagement Manager's commercial experience is an ideal expectation. In the actual implementation of China's international contracting projects, community engagement managers or community liaison officers are basically assigned to the position part-time from the frontline management and technical staff of the projects abroad, so it is not possible to be all things to all people; therefore, it is more practical and urgent to develop the community engagement skills and abilities of the above-mentioned staff who have already worked on site in the projects. The ideal commercial experience described above should not be an a priori barrier to the position, but rather a knowledge and ability that these staff will continue to learn and improve through their community engagement practice. In this situation, it is important to build on the proven experience of other members of the Community engagements Steering Group in this area to complement the Community engagements Manager in community engagements practice. In non-ideal situations, the community engagement manager should also take the initiative and seek more learning and assistance from other members of the group who have such experience.

[Example 1.1-1]**Power China Nam Ou River Hydropower Project Migration Team**

As the direct communicator with the local government and villagers, the immigration team plays a vital role in the resettlement process. The team leader has been in charge of the migration work since the start of the Nam Ou River project, and over the past few years has travelled to villages along the Nam Ou River in Luang Prabang and Oudomxay. In order to take into account the specific needs of the different groups of local people, to facilitate communication and to develop trust between them, the team leader has learnt to speak the local language by observation and memorization, and to communicate comfortably with the local people.

In order to communicate more smoothly with the local community, the migration team also employed Eric, a local villager living in Bak-Ou County, where the primary hydropower station is located, to take charge of the migration process. Eric, who has returned to his hometown to take charge of the migration work, is trusted by the villagers; they always nag and ramble with Eric before contacting the company, which makes Eric feel that he has become a bridge between the villagers and the company. The project's primary power station has affected more than 200 households in Bak-Ou County, and the fact that they have all successfully signed migration agreements is due to the efforts of the migration team.¹⁹



¹⁹ Source: <http://companies.caixin.com/2017-05-24/101094427.htm>

[Example 1.1-2] Nepal Upper Marsyangdi A Hydropower Station Project

The Nepal Upper Marsyangdi A Hydropower Station is a project of the Power Construction Corporation of China (PowerChina) to promote the integration strategy of the whole industry chain overseas. Its community development plan is divided into two phases: a period of integration and adaptation, and a phase of project construction and making an impact.

In order to solve the problem of "unconvincing", the project department focused on establishing three communication mechanisms: firstly, communicating with government departments about the administrative process, and eventually obtaining the approval of all kinds of approvals for the station; secondly, actively communicating with the local people. In terms of the local people's demands on construction and interest distribution, the project department sets up a coordination committee consisting of more than 50 people to rationalise social relations, resolves strikes and work stoppages, and helps the project company to refine social responsibility projects, which eventually won the villagers' understanding; at the same time, the company actively provides supporting documents for the increase of the total investment amount in rupees due to the devaluation of the currency, which eventually won the approval of the Ministry of Industry of Nepa²⁰.

During the construction process, ChinaPower has carried out more than 100 listed social responsibilities and invested more than US\$1 million in projects such as training, hospitals, schools, water diversion, roads and bridges, and has donated US\$26,000 to local associations, parties and schools. There are around 260 Nepali employees working in various positions in the station during the week and 1,300 at the peak of construction, which not only provides a large number of jobs and promotes local economic development, but also trains a large number of skilled workers and managers. The moment the light was lit, a steady stream of green electricity was delivered to thousands of households, and the mutually beneficial cooperation between the two sides left a strong mark in the history of hydropower construction in Nepal²¹.



²⁰ Source: <http://www.njzhongru.com/index.php?case=archive&act=show&aid=63>

²¹ 《The Chinese story told on the banks of the Shangma Xiangdi River, China Electricity News, China News, 201

1.2 Functional Roles of Other Sectors

Rationale

As it is not only dedicated community communicators who make contact with the community in the course of an engineering project. For the community, the employees at all levels of the organization that they come into contact within any given situation represent the attitude of the organization. If community engagement is to be truly integrated into the day-to-day business activities of a company, all employees in the company need to be aware of the need to engage with the community. Each business unit needs to be aware of the community engagement strategy and avoid treating community engagement as the exclusive domain of a few community liaison staff.

The best way to encourage departments to participate in community engagement is to show them how good community relations can contribute to successful business, and therefore the need for community engagement organisers to be able to consider the positive impact that community engagement can have from the perspective of all parts of the company. This can be done by making the link clear between stakeholder engagement and social performance, and the potential impact on corporate reputation and project outcomes, so that all parts of the business take community engagement seriously.

Action Points

- **Identify forms of involvement of other sectors in community engagement work**
 - > Identify and analyse what positive or negative impact the work of each sector will have on the community
 - > Identify and analyse which sectors need support to carry out community engagement work
 - > Identify and analyse the circumstances in which employees in each department will engage with which groups in the community
 - > In conjunction with the above, develop a specific format for each department's involvement in community engagement
- **Community engagement training for staff/heads of other departments²²**
 - > Introduction to the basic concepts of community engagement, including but not limited to
 - > What is Community engagement
 - > What is the purpose of community engagement work
 - > Explain the need for community engagement activities and the benefits to the business and to the sector in which they take place. This includes but is not limited to
 - > What are the benefits of community engagement activities for businesses
 - > What are the benefits of community engagement activities for the sector in which you work
 - > What happens if there is no community engagement campaign

²² Environmental and Social Management System Implementation Manual, International Finance Corporation, World Bank Group, 2015

- > Explain the role of sectoral/individual behavior in this, including but not limited to
 - > What is the overall plan and procedures for the business
 - > What you need to be involved in as a department/individual
 - > How to communicate with the community as a department/individual

Notes

- ✓ Care should be taken to maintain consistent messaging. As employees in all parts of the business may have contact with the community or other stakeholders, it is important to ensure that the messages conveyed by different teams within the business to external stakeholders are consistent during these interactions. Inconsistent messages can be confusing to stakeholders and may reduce the credibility of the business.
- ✓ Problems that arise in the community sometimes cannot be solved simply by interaction with the residents. For example, when it comes to land acquisition and relocation, it is also necessary to obtain support from the government and other social institutions. Other parts of the business should provide the necessary support to the community engagement team, depending on the external resources available.
- ✗ **Avoid** the perception by other internal staff that community engagement is a job for just a few community liaison staff. Although there is a dedicated community engagement position, all staff should be required to be aware of the need to engage with the local community.

[Tool 1.2-1] Example of a list of forms of community engagement involving various departments within a company

The community engagement lead department may not have the full support of other departments at the outset when seeking collaboration within the company. This is a good time to emphasise not only the significance of community engagement activities at a strategic level, but also to communicate to departments what specific positive impact community engagement activities can have on their work and how these departments can be involved in community engagement activities. When conducting internal communications, a record of community engagement participation by each department should be created, which can be styled in the table below as appropriate.

This table only lists possible situations where some departments may be involved in community engagement work as a reference. It does not mean that departments not listed in this table do not need to be involved in community engagement activities, and users should refine this table according to the characteristics of their own projects.

Table 3: List of forms of community engagement involving various departments within the company

Department	Project Phases for participation	Ways to participate	Positive impacts on the department
EHS Department	Before & During	Adopt community feedback when conducting environmental and social impact assessments; Monitor the environmental and social impacts of the project on surrounding communities	Timely knowledge of the projects' negative impacts on the environment and health of surrounding communities to inform early management measures
Constructions Department	During	Timely management or reporting of resident complaints about project constructions; Set up low-skill positions	Avoid shutdown caused by escalated community conflicts; Promote jobs that require simple skills
HR Department	During	Clarify the company's employment principles during recruitment; Conduct employee communication skills training	Avoid community dissatisfaction with the company due to high expectations for the recruitment process; Increase the enthusiasm of neighboring residents for job application
Legal Department	Before & During	Investigate the ownership rights to surrounding community land	Avoiding legal risks
Accounting Department	Before & During	Plan budget for stakeholder engagement	Avoid shutdown caused by escalated community conflicts
Emergency Department	During	Handle conflicts with communities	Reduce community conflicts

2. Grasping the Overall Situation: Steps of Community Background Research

2.1 Reference Method for Conducting Community Background Research

Rationale

As cultures and customs vary from place to place, so do the issues of concern when communicating with the community. In addition, the community engagement tools that should be used should be adapted to the local context. What works in one

area may not work well in another, and may even lead to conflict between the company and the community. Therefore, a good understanding of the background of the community and its residents is the basis for successful community engagement.

Action Points - Community Background Research²³

- > Identify the information to be researched (see [Tool 2.1-1]) and create a basic community profile registration form
- > Conduct desk research
 - Access to basic community data through local government or community leaders (e.g. village chiefs)
- > Identify the issues to focus on during the field research in conjunction with the findings of the desk study
- > Formation of field research teams (experts familiar with international standards for social impact assessment and consultants with knowledge of the local community could be hired)
- > Design a research questionnaire or interview outline
 - Factors such as the education level and receptivity of the respondents should be considered when designing the materials. Where circumstances warrant, engage experts from local academic institutions and NGOs in designing the questionnaire. Often, one-on-one or focus group interviews can be conducted to capture qualitative information. (For recommended interview questions, please refer to [Tool 2.1-3].) Quantitative information can be obtained by distributing questionnaires among community residents on a large scale. It is important that the questionnaires be simple and easy to understand and fill in for local people²⁴.
- > Select a target group
 - > Visit local residents and conduct two-way communication (required) (refer to Section 2.2)
 - > Interview local chambers of commerce, academic institutions, and NGOs
 - > Interview colleagues with years of local work experience
- > Inform respondents in advance to allow them to understand the process and purpose of the survey
- > Conduct field research

²³ World Bank Group. (2006). Community development toolkit.

²⁴ Some OFSC-related projects are located in remote areas where the culture and understanding of the community is particularly limited, so questionnaires should be used with caution. If it is necessary, the project team's experience in Laos is to invite local interpreters and experts to verbally solicit opinions and attitudes from local residents in a clear and understandable manner, and to fill in the questionnaires on site with the interpreters, experts and local residents. This method of collecting background information is very costly in terms of time, human and financial resources, and also takes into account the possible influence of the interpreters and experts on the attitudes of local residents during on-site communication.

- > Generate survey results, compile comprehensive community background information files
- > Update community files regularly

Notes

- ✓ Local customs should be understood before conducting interviews with local people.
- ✓ Marking the geographical location of respondents (distance from the project site) on a map can help companies to better understand the impact the project may have on respondents.
- ✓ When selecting respondents, stakeholders in the community should be carefully divided so that the claims of some individuals or groups are not overlooked (see section 2.2).
- ✓ It is important to know in advance if there are any ethnic minority respondents who do not speak the official language and will need to hire a separate interpreter.
- ✓ Community boundaries should be defined to include those who live or work elsewhere but feel they will be affected by the project.
- ✓ Interviewers should have a high level of cross-cultural sensitivity and be able to adapt their approach to people and conversations in a timely and appropriate manner during the interview process.
- ✓ Often, companies can approach local government departments first to understand the background of the community; however, if there are tensions between the community and the local government, consider approaching community residents first.
- ✓ If community residents already have a strong distrust of the business, it is best to consider hiring a third party organization to conduct community interviews.
- ✓ In addition to the need to understand the community itself, it is also important to research the community's past experience in conducting communication and consultation with other businesses.
- ✓ If the project is located in an industrial park, it is advisable to research the environmental and social impact assessment and community engagement activities that will be carried out at the time of the park's establishment.
- ✗ **Avoid** relying too heavily on group interviews. Group interviews may be dominated by a few respondents and there is no guarantee that all respondents will be able to express themselves fully.
- ✗ **Avoid** designing interviews with too many multiple-choice questions and not enough open-ended questions. For example, replace the question "Do you think the operation of the project will have an impact on you" with "How do you think the operation of the project will impact on you".
- ✗ **Avoid** designing questionnaires with overly technical terms that do not take into account the literacy level of the local population, or having excessively long questions and questionnaires. If respondents have limited reading skills, try to use pictures instead of words.
- ✗ **Avoid** neglecting minority or disadvantaged groups in the community when selecting respondents. Care should be taken to include indigenous people, households living on the margins of the community, and to ensure women and marginalized groups are consulted.

[Tool 2.1-1] Sample Form for Community Background Information Collection²⁵

Companies should begin collecting community background information before the project is officially launched. This helps them understand local cultures before engaging with stakeholders, adopt communication approaches that suit local behaviors, and identify groups that may be affected by the project. The following form can be used as a reference when collecting community background information. However, the information points to be collected should be tailored to suit the project and local community. It is recommended that experienced sociologists or anthropologists who are familiar with local conditions are hired. In addition, the content of the table should be expanded as the project develops.

Table 4: Sample Form for Community Background Information Collection

Name of village	
Geographic information	
Geographic location (distance from the project), whether there are protected cultural relics, natural reserves, or environmentally sensitive areas in the neighborhood	
Demographic information	
Total population, distribution of residence, density of population, gender ratio (the status of women), age structure, ethnic structure, health and hygiene condition, education level, language, income level, etc.	
Socioeconomic information	
Factors affecting income and production levels, land ownership, the right to natural resources, ability to obtain production inputs, family structure, kinship, employment opportunities (formal employment, seasonal employment, migrant workers, unemployment), labor mobility, etc.	
Civil society organizations	
Civil society organizations with the ability to build capacity at the community or family level or that represent community decisions and voices, etc.	
Economic organizations	
Local cooperatives, etc.	
Political background	
Relationship with the government, other stakeholders, etc.	
Historical issues	
Experience with other companies and institutions, past conflicts, etc.	
Religion, cultural values and ideas	
Religious beliefs, religious sects, religious groups/organizations, etc.	
Community needs	
Infrastructure construction, etc.	

²⁵ Stakeholder Linkages Interactions: A Guidebook for Businesses Doing Business in Emerging Markets, International Finance Corporation, World Bank Group, 2007

[Tool 2.1-2] List of interviewees

There are a number of factors to consider when selecting a representative. The interviewees should be reliable, representative of the views of the people they represent, and sure to convey the results of their interactions with the project company to the people they represent. To verify the appropriateness of the representative, random interviews can be conducted directly with people affected by the project. Verifying the views of the appointed representatives in the field in this way can help to identify inconsistencies in the views of the represented stakeholders. Appropriate stakeholder representatives may be (but are not limited to)

Table 5: List of interviewees

Community representatives	Key contacts	Key concerns
Local government officials		
Elected representatives of regional, local, and village councils		
Traditional representatives, such as village heads or tribal leaders		
Leaders (chairman, director) of local NGOs (environmental organizations, women's groups, etc.)		
Local school teachers		
Religious leaders		
Ordinary residents affected by the project		
Representatives of local business organizations		
Representatives of other business organizations working locally		
Vulnerable groups (women, residents who do not use the lingua franca, indigenous peoples)		
Other interviewees recommended by the above interviewees during interviews		
Former interviewees (return visits)		
Others		

[Tool 2.1-3] Suggested Topics for Community Background Survey Interviews²⁶

When conducting interviews to understand community background, it is suggested to use open-ended questions to learn about the real thoughts of respondents on the enterprise or project. Recommended interview topics include "community's attitudes towards the company", "community's needs/requirements for the project", "preferred methods of communication by the community", etc.

Table 6: Topics for Community Background Survey Interviews

Recommended interview topics	Recommended questions
Understand topics that community residents are most concerned about	<ul style="list-style-type: none"> > What do you know about this project? > What impact do you think the project will have on you? > What is your biggest concern about this project?
Collect project-related information	<ul style="list-style-type: none"> > What similar projects have been carried out in the neighborhood? > How do you evaluate those projects?
Understand community residents' attitude towards the company	<ul style="list-style-type: none"> > What do you think of [company]?
Understand methods for residents to obtain information	<ul style="list-style-type: none"> > How did you hear about this project? > How do you usually learn about this project? > Do you think the released project information is clear? > Who will you contact if you have questions about this project? > Is there any other information that you want to know about the project but is not yet made public? > What actions on the part of the company make you feel that the community's opinions are respected during project execution?
Determine channels for information exchange with the community	<ul style="list-style-type: none"> > How do you want us [the company] to publish information about the project - announcements, community meetings, or other channels? > How often do you think it should be published? > What information do you want to know about this project from those channels?
Identify spots for frequent resident gatherings	<ul style="list-style-type: none"> > Where do residents usually gather when holding a community event? > Where are community announcements usually posted? > Which local newspapers do you read? Which local broadcasts do you listen to?
Identify organizations/groups representative of community interests	<ul style="list-style-type: none"> > Who has the greatest say in the community? > Who do you think is the community leader? > Which civil society organizations have you joined? > Which civil society organizations do you trust?
Determine if all community members are taken into account	<ul style="list-style-type: none"> > Does anyone in the community speak a different language? Are there ethnic minorities (indigenous peoples)? > Who else do you recommend to help us learn about the basics of the community? > Who in the community do you think has special demands for the project?

²⁶ United States Environmental Protection Agency. (2014). Public Participation Toolkit.

2.2 Approaches to Community Groups Segmentation

Rationale

Stakeholders are the target of community engagement. The impact of a project on different groups of the same community and their demands for the project may both vary. For example, water withdrawal is mainly a woman's job in some areas. If the project affects local hydrological conditions, the impact on women in the community may far exceed that on men. Therefore, it is necessary to

further segment stakeholders.

Additionally, local governments, civil society organizations, and the media that carry out activities locally can also to some extent represent or impact the residents' attitudes toward the project, which should be considered part of the community as well.

Action Points

> List the stakeholders²⁷

This process can start with institutions and people that are already engaged in partnerships or are affected by the project. Other groups that may be interested in the project, such as local media and environmental organizations, should also be taken into account.

> Extend the list

Find out more institutions and people that need to be included by interviewing the stakeholders listed above. At this stage, as many stakeholders as possible should be listed. Use the following list as a guide:

- > Who is likely to be negatively affected directly or indirectly by the project
- > Who may benefit from the project
- > Who lives near where the project is taking place
- > What are the different groups in the community and what are the power relations or conflicts of interest between these different groups
- > Who is responsible for implementing measures to mitigate the negative impact of the project
- > What partnerships will facilitate the implementation of the project?
- > Which vulnerable groups are easily overlooked and need extra attention²⁸
- > Who will support or oppose the local changes caused by the implementation of the project
- > Whose support or opposition will be decisive for the success or failure of the project
- > Who can provide resource support
- > Who are the decision-makers
- > How to maintain the ideal balance between different communities (e.g. proximity)²⁹

²⁷ World Bank Group. (2006). Community development toolkit.

²⁸ Depending on the circumstances, companies may decide to employ gender and minority experts to facilitate better stakeholder analysis.

²⁹ IFC. (2000). Investing in People: Sustaining Communities through Improved Business Practice.

> Check for omissions and additional stakeholders

Ask the interviewed respondents if there are people who they think are affected but not included in the interviewee list.

> Ranking stakeholders according to their level of influence by the project (see [Tool 2.2-2])

Companies need to improve their ability to identify individual stakeholders, assess their relative importance and understand the power relationships between them.

There are three key questions that companies can refer to when identifying the importance of each stakeholder.

- > Which groups or individuals would (consider themselves) affected by the project or enterprise?
- > Who can shape and influence the image of the project and the company, whether that influence is positive or negative?
- > Who has the ability to influence the various stakeholders?³⁰

Notes

- ✓ Identify the people living in and around the impacted area through a stakeholder survey.
- ✓ Identify and validate the social impact of the project.
- ✓ Identify vulnerable groups including female groups, indigenous people, people with disabilities, etc.
- ✓ Give priority to individuals and groups who are directly and adversely affected by the activities of the enterprise.
- ✓ Prioritise individuals and groups that must be engaged in interactions as required by law and other rules.
- ✓ Stakeholders may be affected and their main claims may change at different stages of a project, and should therefore be reassessed.
- ✓ Establish a stakeholder contact interaction file to avoid contradictions in the information communicated to the outside by different people within the enterprise.
- ✓ Balance local, regional, national and international interests.
- ✗ **Avoid** the arbitrary exclusion of communities living outside the boundaries of the area of impact from exposure activities. They may also perceive to be influenced by the enterprise.

³⁰ IFC. (2000). Investing in People: Sustaining Communities through Improved Business Practice.

[Tool 2.2-1] Community Stakeholder Checklist³¹

Detailed segmentation of community stakeholders leads to a better understanding of the demands of different groups and serves as the first step in developing engagement plans in line with their distinct characteristics (especially their comprehension ability). The following list gives a detailed segmentation of the main groups in a community. However, enterprises should further improve the list based on the actual conditions and characteristics of the community where their projects are located.

Table 7: Community Stakeholder List

Groups	Detailed segmentation
Community residents	Neighbors; neighboring communities of the project; neighboring communities of the head office; places with frequent project activities; central areas of local communities
Official institutions	Local governments (or village heads elected by villagers); regulatory bodies; international organizations
Civil society organizations (local civil society organizations and branches of international civil society organizations)	Religious venues and organizations; labor organizations; educational organizations; mutual aid associations; charitable organizations; child protection organizations; elderly protection organizations; employment organizations; trade organizations; local groups; cultural groups; environmental organizations; security & health organizations; human rights organizations; individual activists; social public groups; political groups
Media	Local media; social media; international media
Groups subject to particular impacts	Neighbours; women; the old, the weak, the sick, and the disabled; indigenous peoples; minority/oppressed groups; children/schools/orphans, etc.
Groups with particular concerns about the project	People particularly concerned about the project location, the company, the industry, or Chinese enterprises
Investors	Domestic commercial and policy banks; international financial organizations (e.g. IMF, IFC, etc.)
Others	

³¹ World Bank Group. (2006). Community development toolkit.

[Tool 2.2-2] Mapping Impacted Zones^{32 33}

In addition to their characteristics, stakeholders' geographical location also to some extent determines the project's impact on them. An environmental and social impact analysis of the project can be conducted by drawing the impact zoning map, and this information can be used to prioritise key stakeholders. Considerations for mapping the Impacted Zones should cover both the primary project site and all relevant facilities, including associated facilities, traffic routes, areas where cumulative impacts may reach, or unplanned but predictable changes.

- ① Draw a map that reflects the project elements that may cause local environmental and social impacts (e.g. area of land used/impacted, air and water pollution, etc.). It may be easier to use aerial photographs or satellite imagery
- ② Determine the broad area of impact for each element (e.g. area of land acquisition, air and water pollution)
- ③ After identifying the stakeholders, map them on the Impacted Zones.
- ④ Consult with the legal representatives of stakeholders to verify the impact on different groups.

[Tool 2.2-3] Community Engagement Contact Form

It is unrealistic to try to interview all members of the community to understand community demands for the enterprise. Rather than interview as many residents as possible, it is better to divide them into groups and select representatives as the interviewees. This will be helpful in identifying inconsistencies in the views of the represented stakeholders, especially vulnerable groups who are easily overlooked. These representatives can be used as contacts for community engagement. The following form can be used as a reference for selecting stakeholder representatives, including (but not limited to):

Table 8: Community Engagement Contact Form

Community representatives	Key contacts	Major concerns	Goal or purpose for communication	Historical information on past engagement (including engagement with other organizations)
Local government officials				
Elected representatives of regional, local, and village councils				
Traditional representatives, such as village heads or tribal leaders				
Leaders (chairman, director) of local NGOs (environmental organizations, women's groups, etc.)				

³² Stakeholder Linkages Interactions: A Guidebook for Businesses Doing Business in Emerging Markets, International Finance Corporation, World Bank Group, 2007

³³ Environmental and Social Management Systems Toolkit, International Finance Corporation, World Bank Group, 2015

Community representatives	Key contacts	Major concerns	Goal or purpose for communication	Historical information on past engagement (including engagement with other organizations)
Local school teachers				
Religious leaders				
Ordinary residents affected by the project				
Representatives of local business organizations				
Vulnerable groups (women, residents, residents who do not use the common languages, indigenous peoples)				
Other interviewees recommended by the above interviewees during interviews				
Former interviewees (return visits)				
Others				

[Example 2.2] PowerChina Vientiane-Boten Railway Project on Friendly Terms with Local Miao Community

Section IV of the Vientiane-Boten Railway built by the PowerChina SinoHydro Bureau 3 Co., Ltd. overlaps with the residential areas of both the Lao Loum, a major Lao ethnic group, and minority groups, the majority of which are Miao people. The lifestyle and habits of those two are quite different, and without a proper knowledge, one may easily offend local taboos.

In order to avoid major conflicts with the ethnic groups, the company visited the local Miao villages when the project was first launched and established close ties with the village heads, introducing them to the basics of the project and its benefits to the villages. The company also hired a large number of Miao employees and celebrated major traditional festivals with the villagers. Those efforts made local people aware that instead of harming their interests, the project would help develop their economy and improve their lives. Thanks to the sound relationship, the project has progressed successfully without running into any conflict with local villagers.



2.3 Identifying Potential Risks and Developing Solutions, Increase Corporate Credibility

Rationale

The objective of conducting community background research is to fully understand the needs of the community. This is a prerequisite for identifying key issues that may lead to conflicts so as to improve the enterprise's environmental and social performance to meet community expectations, reduce the risk level for the social license, etc., and thus resolve potential crises.

When an enterprise operates overseas, it is bound to face various risks, including opposition from the community. They may all become a potential obstacle to the enterprise's normal operations. To avoid conflicts with local communities, an enterprise needs to anticipate issues that may cause dissatisfaction of community residents early on. Dissatisfaction may occur because the negative

impact during project implementation exceeds the capacity of the community or the positive impact fails to reach its expectations.

However, it may not be possible to completely avoid or minimise certain negative impacts despite countermeasures already in place. Then enterprises should find ways to offset them with comparable positive impacts or offer compensations to affected residents. For example, if company operations consume a large amount of water. Despite taking measures to minimise water use, there are still periods of the year when water becomes scarce in the local community. The company may consider collaborating with local communities to dig new wells or provide alternate sources of drinking water.³⁴

Figure 4: Priorities for coping with risks



Action Points - Development Risk Identification and Action Plan³⁵

- > Identify risks that may create community conflicts and establish a risk matrix (see [Tool 2.3-1])

Stakeholders spend more time on issues they care about. Therefore, matters that they frequently bring up or repeatedly stress during communication may be those that they disagree upon with the enterprise and that may develop into conflicts

- > Assess actions and procedures needed to address those risks

³⁴ Environmental and Social Management System Implementation Manual, International Finance Corporation, World Bank Group, 2015

³⁵ Environmental and Social Management System Implementation Manual, International Finance Corporation, World Bank Group, 2015

- > Identify the reasons (objectives) and expected outcomes (indicators) of these actions and procedures
- > Clarify time frames and deadlines
- > Identify persons in charge
- > Conduct assessment at regular intervals (at least once a year) or conduct re-assessment any time there are significant changes to operations or external changes (such as new laws and regulations)

Notes³⁶

- ✓ When conducting risk assessments, include input from all levels of workers and managers.
- ✓ Feedback from affected communities and other external stakeholders relevant to the community should be heard.
- ✓ Assess and prioritise risks according to both their probability and the severity of negative impacts.
- ✓ Integrate the identified priority risks with the monitoring plan.
- ✓ The risk identification process needs to consider not only the risks that the company itself may face, but also the risks that may arise from the activities of contractors and subcontractors.
- ✓ The risk assessment is adjusted to the size and complexity of the business.
- ✗ **Avoid** always using the same set of risk identification and resolution action plans that are not periodically updated.
- ✗ **Avoid** skipping risk mitigation measures altogether just because the negative impact cannot be completely avoided.
- ✗ **Avoid** directly transposing a risk identification and mitigation action plan that has been used on one project to another.

³⁶ Environmental and Social Management System Implementation Manual, International Finance Corporation, World Bank Group, 2015

[Tool 2.3-1] Risk matrix^{37 38}

Start developing a risk response plan by ranking the potential risks by the risk level. Establishing a risk matrix helps enterprises assess the risk level and develop an action plan accordingly. Risk level is determined by both the probability (the probability of occurrence) of the risk and the degree of potential impact (level of impact) when it occurs.

Table 9: Risk Matrix

No.	Type	Description	Probability of occurrence (low=1, medium=2, high=3, very high=4)	Impact level (low=1, medium=2, high=3, very high=4)	Risk level (low, medium, high)	Management advice / Action Plan	Person in charge
			* Probability of occurrence: how likely the risk will occur	Impact level: if the risk occurs, how serious is its potential impact	Risk level: the level of priority that needs to be given to a risk in line with its probability of occurrence and impact level.w		

³⁷ Wang Fujian, Risk Management and Case Analysis of Chinese Enterprises' Overseas Investment and International Contracting Projects [M], China Economic Press, 2015

³⁸ Environmental and Social Management Systems Toolkit, International Finance Corporation, World Bank Group, 2015

[Tool 2.3-2] Country-based Risk Identification Tool – Overseas Investment Risk Map

The China Overseas Investment Risk Map provides readers with basic information on Chinese enterprises' overseas investment in related industries and the latest domestic and international information on the risks and social responsibility involved in overseas investment. It informs better management and control of ESG risks and minimised losses and maximised efficiency in overseas investment, and helps stakeholders better understand enterprises' performance in implementing social responsibility commitments in overseas investment and the impact on them.



Online at: http://www.chinagoabroad.org/index_CN.asp

[Tool 2.3-3] Factors That are Likely to Cause Community Conflicts in International Contract Projects³⁹

The risk factors that may have a negative impact on the community during the implementation of a contracted project usually include "the negative impact on the ecosystem services on which the community depends", "the negative impact on the health of the community population", "the negative impact on community safety", and "benefits from the project lower than community expectations". The following table lists the common risks for reference, but users should also identify major risks based on the characteristics of specific projects.

Table 10: Factors That are Likely to Cause Community Conflicts in International Contract Projects

● Negative impacts of projects on the ecosystem services on which communities depend

- > Uncontrolled rainwater discharges cause erosion in the land surface, while dust and other sediments are washed into the river, causing flooding downstream, which cannot be used for irrigation or drinking
- > River gravel mining leads to river degradation
- > The project uses a lot of water, thus causing water shortages in local communities
- > Over-pumping causes ground subsidence and sinking
- > Improper disposal of construction waste leads to land/water pollution
- > Impact of blasting activity shock waves on biodiversity during construction
- > Land conversion, vegetation removal, and damage to local ecosystems caused by construction of temporary or permanent installations and roads

³⁹ Environmental and Social Management Systems Toolkit, International Finance Corporation, World Bank Group, 2015

● **Negative impact of the project on the health of the community population**

- > Pollutants and harmful dust released into the air
- > Pollution to surface water or drinking water
- > Exposure to hazardous substances
- > Bad smells released
- > Impact of blasting activity shock waves on buildings during construction
- > Excessive noise and vibration generated during construction
- > Light pollution or impact
- > Noise generated by heavy-duty transport vehicles
- > Spread of diseases as a result of worker influx
- > Increased vectors of infectious diseases (such as mosquitoes, flies, and rodents) due to failure to properly manage liquid and solid waste

● **Negative impact of the project on the safety of the community population**

- > Excessive or unregulated traffic near the factory or through the community leads to an increase in traffic accidents
- > Mismanagement of temporary buildings and facilities results in collapse accidents that cause community casualties or financial losses
- > Lack of proper fences or control measures around the project site to prevent unauthorized community members (especially children) from entering the construction site
- > Security staff resort to violence against community members due to insufficient management and training
- > The influx of outsiders leads to an increase in local crime rates or a change in the local marriage structure

● **Community benefits from the project are lower than expected**

- > Employment opportunities provided are fewer than expected
- > The economic income that can be created for the community (such as payment for renting the residents' vehicles) is lower than expected
- > People living at a greater distance from the project benefit more than the neighbouring community

● **Potential conflict risks to the community that may arise from the project**

- > Unsatisfactory compensation
- > Corruption
- > Terrible working conditions
- > Discrimination against individuals/groups
- > Mishandled relationship with local armed forces

[Example 2.3-1]**PowerChina Vientiane-Boten Railway Project Strengthens Non-traditional Safety Management**

Part of Section IV of the Vientiane-Boten Railway built by PowerChina SinoHydro Bureau 3 Co., Ltd. in Laos is located in the dwelling area of anti-government forces. There was a shooting attack directed at a Chinese passenger bus in 2012. To avoid security incidents, the company pays close attention to relevant information and notices released by the Ministry of Commerce and the Department of Commerce of Yunnan Province so that the project team can prepare and respond accordingly. Laos is home to vastly different ethnic groups and the relationship between the Miao and the main ethnic group living in the mountainous areas is particularly complex and likely to cause stability issues. To strengthen non-traditional safety management, PowerChina hires a large number of Miao employees, regularly visits the local Miao community, and has established an amicable relationship with the Miao community. At the same time, the company signed a security agreement with the Lao Ministry of National Defence, and soldiers have been stationed at the project department. It also actively participates in the transport security joint working mechanism initiated by the Embassy of the People's Republic of China in Lao People's Democratic Republic and consulates, regularly implements emergency drills, and organises internal training and education to guard against security incidents.

Aware of the hidden risks of dangerous driving, the company also worked with the local Ministry of Communications, Public Security Department, and Ministry of National Defence to put Lao government personnel in charge of providing education for the company's Lao employees on safe driving, public order and discipline, and social stability maintenance.



[Example 2.3-2]

China Road & Bridge Corporation Cambodia 1577 Highway Reconstruction Project Reduces Environmental Impact

The 1577 Highway Reconstruction Project in Cambodia, in which China Road & Bridge Corporation (CRBC) participated, is an important road in southwestern Battambang, Cambodia. Given that the construction would cause damage to the original landform and surrounding environment, thus impacting the daily life of local residents, how to minimize its environmental impact became the top challenge for the constructors. In line with the company's existing environmental protection rules and regulations and the actual conditions, the project department developed environmental protection goals and systems, investigated the environmental impact factors, formulated countermeasures and had their effectiveness tested, and made a gradual improvement, thus minimising impact on the environment.

In order to reduce the impact of construction on the environment, the project department implemented the following countermeasures:

- > In order to prevent water pollution, dispose of spoil strictly in the spoil ground to prevent water pollution; improve the temporary drainage and protection system; prohibit discharge of ground rainwater runoff directly into the water body, keep away from drinking water sources; prohibit discharging mud randomly during the pile foundation construction; use cofferdam for closed construction of bridge piers in the river; restore the riverbed to its original appearance after the bridge and culvert construction was completed.
- > In order to prevent solid waste pollution, require all cement bags, excess concrete or mortar, stone materials, etc. on the site to be collected and treated together after the construction is completed to prevent solid waste pollution. With the technical indicators fulfilled, the excavation team is required to maximise use and minimise discard.
- > In order to prevent noise pollution, all construction except for that of the pile foundation is prohibited at night. Vehicles are required to lower their speed and banned from whistling in residential areas. To prevent smoke and dust pollution, water trucks are ensured to be working during the dry season, especially at hospitals, schools, and residential areas. The concrete mixers' feeders are required to be dust-proof. The stockyard is located on the lower side of the perennial trade-wind to minimise the impact of smoke and dust.



[Example 2.3-2]

China Road & Bridge Corporation Cambodia 1577 Highway Reconstruction Project Reduces Environmental Impact

> In order to prevent vegetation damage, the project is kept away from the ancient trees and landscape trees planted on both sides of the road as much as possible and the excavation team is required to properly handle the interceptor ditch before restoring the vegetation as soon as possible after excavation.

In addition, the project department carried out comprehensive environmental checks to implement necessary monitoring of dust pollution and harmful gases generated at construction sites, quarries, stockyards, etc. and undertook effective control measures. Efforts were intensified to monitor the surrounding water conditions and prevent untreated sewage from being directly discharged into the surrounding water bodies. At the same time, water trucks were arranged to help control dust with frequent watering at important public locations such as densely populated villages and towns, markets, schools, and local government offices.



3. Confirming Message: Identifying Information to be Communicated with the Community

3.1 Identifying Key Information for Community Engagement

Rationale

Two-way information exchange is the key to building a harmonious relationship between an enterprise and the community. Even when not required by the community or other stakeholders to release relevant information, an enterprise is advised to take the initiative to do so. This is because a lack of information can lead to the spread of false information, which not only damages the enterprise's credibility but also hinders its efforts to engage in informed dialogue with stakeholders.

Before engaging with the community, the enterprise should identify issues that need to be covered. This is especially true when there are limited human and material resources, making it difficult to cover everything in the communication in an efficient way. At the same time, communication without key messages is not conducive to the understanding of community residents. A better approach is to rank the issues by importance before developing corresponding communication strategies.

Action Operation - Identification of core issues of concern to the community⁴⁰

Review community background research files and stakeholder identification to determine potential project impact on the community and areas to focus on.

Industry benchmarking can be conducted at this stage to understand the key issues for the project contracting industry in community relationship management. Learning about other enterprises' practices helps enterprises avoid making the same mistakes and adopt good practices that suit themselves or work with other enterprises to conduct community engagement.

List the key issues identified, use relevant tools ([Tool 3.1-1] Core Issue Evaluation Form) to organise the issues, collect the issues, and rank them by importance.

Notes

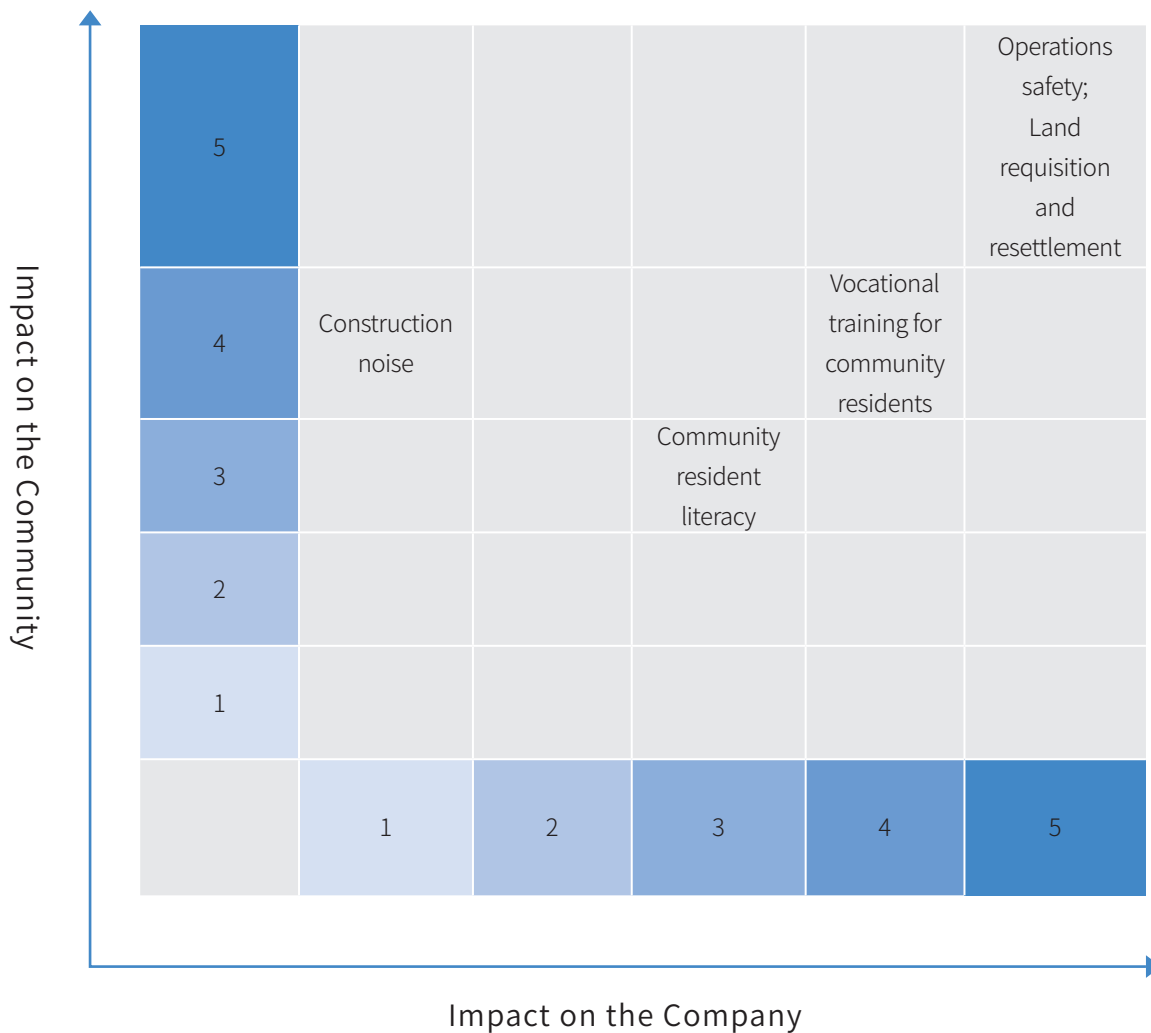
In identifying the core issues of concern to the community, the survey sample of vulnerable groups should be analysed separately from other respondents. This will help to uncover issues of concern to vulnerable groups and bring attention to claims that would otherwise be easily overlooked, particularly the needs of female groups and indigenous people.

⁴⁰ World Bank Group. (2006). Community development toolkit.

[Tool 3.1-1] Core Issues Evaluation Form

Many issues are related to the community. However, there is always insufficient human and material resources for engaging the community in a dialogue on all the issues at one time. The Core Issue Evaluation Form helps an enterprise approach those issues from two dimensions, namely the degree of impact on the community and on the enterprise itself, determine issues that concern both parties, and seek consultation and solutions accordingly. Besides what is listed in the form, special attention should also be given to relevant compliance requirements set out in local laws and regulations to inform core issue identification and importance ranking.

Table 11: Example of the Core Issue Evaluation Form



[Example 3.1-1]**Key Issues of Communication for PowerChina Nam Ou River Hydropower Project - Land Requisition and Resettlement**

The problems of flooded land requisition and resettlement involved in hydropower development have become increasingly complex and are currently one of the important limiting factors. At the initial stage, the PowerChina Nam Ou River Cascade Hydropower Plant project clearly identified land requisition and resettlement as a key issue of community engagement and developed corresponding engagement measures.

The company mobilised resources from various departments in order to ensure the smooth progress of resettlement. The Resettlement Office leads the efforts in migration environment outreach, and the Cascade Project Department takes charge of coordinating relationships between the plant and the surrounding communities and periphery regions as well as information disclosure. At the same time, the company's Luang Prabang office and Vientiane office are responsible for relationship coordination and information exchange with the central and provincial governments and local communities.

To ensure a sound community engagement mechanism, resettlement staff were stationed at each cascade hydropower plant, and resettlement coordination meetings are held regularly, where the Ministry of Energy and Mines (Lao PDR), the Ministry of Natural Resources and Environment (Lao PDR), and provincial and county governments are present. The Energy Department and the Provincial Migration Committee assigned personnel at the power plan, which strengthened the communication between the government and the community, promptly coordinating and handling problems related with migration environment and construction, and a ensured normalised relationship and communication with neighbouring communities. Through communication, the project department was able to identify the core interests of the community and develop relevant measures for community integration.

To reduce the flooded area and the impact on the environment and local communities, the company designed the seven-grade development plan based on repeated research and discussions, which would leave less area and fewer migrants affected by the flood than the original, more economic two-grade development plan.



[Example 3.1-1]

Key Issues of Communication for PowerChina Nam Ou River Hydropower Project - Land Requisition and Resettlement

After the project launch, the company went on to invest a great deal of human and material resources into resettlement. According to statistics, the impact of the entire Nam Ou River basin migration program reached 10 counties in two northern Lao provinces, with over 2,300 households, 1,112,600 people resettled, and 26 new villages planned in total. The total cost of resettlement was around US\$230 million and efficiency was delivered through designated enterprise responsibility, government supervision, and full consideration of villagers' opinions.

The company did its best to hire local firms for the construction of the new migrant villages to accommodate local customs and styles. Staff assigned by the provincial migration committee and quality inspection agencies arranged by the company were in place to supervise and ensure construction quality. The company organised numerous social responsibility activities in the migrant villages, including providing sponsorships for schools, local traditional festivals, and international students in Laos, making donations, etc. It boosted the participation of Laotians in project construction to improve their labor skills and provided over 80,000 jobs during the construction period. The company completed the construction, rebuilding, or extension of 500 kilometers of roads in total, built over 20 large and medium-sized bridges and equipped each migrant village with docks, schools, markets, hospitals, and temples. All those significantly improved local infrastructure conditions and the quality of local education, transport, and medical services, greatly boosting integration and mutually beneficial development.



[Example 3.1-2]**CGCOC Group's Communication for the Ethiopia-Djibouti Cross Border Portable Water Project**

The Ethiopia-Djibouti Cross-border Portable Water Project is an intra-regional connectivity project in East Africa jointly promoted by the governments of Ethiopia, Djibouti and China, which is planned to transport high-quality groundwater from Ethiopia to Djibouti through a pipeline⁴¹.

Community engagement in the project revolves around water diversion projects and staff deployment. In terms of water diversion, CGCOC Group (CGC Overseas Construction Group Co., Ltd.) has spent more than two years to build dozens of water wells and reservoirs, laying 380 kilometres of water pipelines along the way, providing 100,000 cubic metres of high-quality drinking water to five major towns in Djibouti every day⁴², solving the water problems of more than 65% of Djibouti's population⁴³, directly benefiting about 750,000 people. In order to solve the inconvenience of collecting water due to the terrain, the project team set up four water collection points in the Ethiopian section of the water pipeline for the convenience of local residents⁴⁴; to ensure water quality, China Overseas Group also conducts regular water quality sampling and testing, and established a water quality safety prevention and early warning mechanism⁴⁵.

As a tripartite government-driven project, local protectionism, labour shortages and internal and external labour ratios were a major challenge. In response to this challenge, the project department's community engagement efforts were focused on actively bringing in talent and improving co-ordination and consultation internally. On the one hand, the project team drew up a staffing plan to scientifically plan the types, numbers and duration of internal and external staff, and visited key leaders of the Shinele Regional Government in the Somali Region to explain the employment challenges faced by the project and the solutions to them, gaining the understanding and support of the Regional Government. And on the other hand, in the face of local protectionism in the employment of local workers, the project department, in line with the principle of supporting local employment, worked with the township government to enter the villages of Somali ethnic groups, actively communicated with the local government and local elders, and reached a consensus with the support of all parties, establishing a cooperation mechanism between the township government to recommend local workers and external staff to register on site in a planned manner, effectively solving the problem of difficult employment.



⁴¹ Source: <https://hunan.voc.com.cn/article/201906/20190606062223759.html>

⁴² Source: <https://hn.rednet.cn/content/2019/06/15/5592798.html>

⁴³ 'China-funded Ethiopia-Djibouti Portable Water Project to be commissioned', China-Africa Trade Research Centre, 2017

⁴⁴ Source: <https://new.qq.com/omn/20200810/20200810A03VY600.html>

⁴⁵ Source: <https://www.caetexpo.org.cn/index.php?m=content&c=index&a=show&catid=187&id=224>

[Example 3.1-3] Kenya Mombasa-Nairobi Railway Project

The Mombasa-Nairobi Railway, constructed and operated by China Road & Bridge Corporation (Group) General Company, connects Nairobi, the capital of Kenya, with Mombasa, the largest port in East Africa, and is approximately 480 km long. It is the first and longest new railway since Kenya's independence, and a new benchmark for China's railway industry chain to go global⁴⁶.

The communication mechanisms established between China Road & Bridge Corporation and the local communities range from more basic community support to more in-depth technical exchanges. At the basic level, the project team actively engaged in dialogue with local governments, communities and tribes at all levels along the project route to identify the impact of project decisions, construction and operations on the communities. At the same time, the project team conducted several visits to understand the needs of local residents and, with the support of the local government, carried out community support projects such as water sharing, education support and health care.

A more in-depth community engagement mechanism was reflected in the exchange of skills and cooperation on projects. China Road & Bridge Corporation carried out training work at job skills, operation and personnel cultivation. At present, 25 out of 33 stations have all local staff responsible for transport management; the localization rate of train service and passenger management staff at passenger stations is over 90%. There are 378 local subcontractors involved in subcontracting cooperation, directly driving 1,234 local suppliers of materials, equipment and materials to participate in the project construction, and more than 1,000 enterprises to participate in the project construction cooperation⁴⁷.

The communication and cooperation mechanisms established at multiple levels are far-reaching, especially in terms of social impact. The rich communication and exchanges bring about improvements in life and understanding of concepts. The workers who could only work on lifting steel bars, acquired professional welding skills during the technical exchange between the two sides and was able to apply their skills to work on the standard railways; the first seven female train drivers trained by the Chinese company perform well and successfully handle their jobs, despite the fact that there was no precedent for women driving trains in Kenya. These individuals were ordinary people before the railway project, but they become representatives of the 'pride of the nation' and influence many more people through media coverage.



⁴⁶ China Communications Construction Social Responsibility Report 2020, China Communications Construction, 2021

⁴⁷ Source: <https://mp.weixin.qq.com/s/ilxCWWhQYYDu19xQrxkNSLA?>

3.2 Ensuring Consistent Information Disclosure

Rationale

Companies should document and accurately communicate the core messages of community engagement in clear, understandable language, including but not limited to key stakeholders, core issues, company positions, communication objectives, etc. On the other hand, when different employees in a company communicate

contradictory messages, the community's trust in the company is reduced. It is therefore important to clarify the content of external messages, as well as positions and attitudes when dealing with community issues, before conducting communications and be as consistent as possible when conducting communication activities.

Action Points

- > List all issues that may require external communication in combination with the key issues listed in 3.1, including but not limited to:
 - > Project information that the enterprise wants the community to understand, such as the benefits that the project implementation can bring to the surrounding communities and the regulations that community residents are expected to follow.
 - > Information that the community is concerned about, such as the progress in the enterprise's commitment implementation and monitoring of impacts on the community (such as environmental pollution)
 - > Information that the enterprise needs to disclose as required by local laws and regulations.
- > Conduct discussions with other department heads (community engagement steering group) as regards the above issues to clarify the information for community engagement and the enterprise's stance, including but not limited to:
 - > Clarify information that is confidential and that can be publicly disclosed
 - > Clarify the company's stance on important issues related to the community, such as whether all employees are required to follow local religions and customs.
- > Clarify matters in the action plan that can be modified or improved in accordance with the consultations and opinions of various parties and those that cannot be changed.
- > Create documents from the information used for community engagement based on the results of deliberation. The language should be concise and easily understandable for local people to avoid ambiguity and also be translated into local languages.
- > Provide training for internal employees, subcontractors, and other partners based on the above documents to ensure consistent messages are disclosed.

Notes

- ✓ Follow the "general disclosures" principle to maximise transparency and build trust. Always be ready to provide information even when there is no pressing reason for doing so.
- ✓ Information should be disclosed as early as possible, especially regarding issues that need community input, to guarantee enough time for receiving feedback before making decisions.
- ✓ Combine information disclosure to the community with consultations. Enlighten the community on project information that cannot be changed and that can be changed in accordance with the consultations.
- ✓ Update the community on any project changes or new impact on the community as soon as possible.
- ✓ If possible, provide training for all employees to clarify information for external communication. Make sure that information conveyed by all employees is consistent and uniform.
- ✓ Deliver objective information. This includes avoiding understatement of bad news and overstatement of good news and preventing the community from losing trust in the enterprise due to failed expectations⁴⁸.
- ✓ Disclose specific figures and information. The more specific the disclosure, the easier it is to gain the trust of the community. For example, use "the project will create 30-40 jobs" rather than "the project will create a lot of employment".
- ✓ Articulate without delaying or concealing when the community's demands cannot be met.
- ✓ Document commitments to the community in the Commitment Record (refer to [Tool 3.2-1]) and disclose the progress of implementation.
- ✓ Engage the community in face-to-face or text-based communication on sensitive issues such as land requisition and resettlement to access its direct responses.
- ✓ Translate all public documents into local languages and use terms understandable to local people.
- ✗ **Avoid** making promises that are unfulfillable or prone to misunderstandings during communication.
- ✗ **Avoid** completely skipping the negative impact of the project on the community so as not to build up overly high expectations for the enterprise.

⁴⁸ Stakeholder Linkages Interactions: A Guidebook for Enterprises' Business Development in Emerging Markets, IFC, 2007

[Tool 3.2-1] Commitment Record

To build a solid relationship with the community requires consistency in one's words and actions, especially regarding the promises one makes. Community-related matters, however, may involve several staff members and the coordination among different departments. Leaving the commitments unrecorded may lead to poor communication among the departments and biased understanding and implementation of the commitments, thus causing the community to lose trust in the enterprise. Using the Commitment Record to document all the commitments is a good practice for coherently and effectively managing the commitments and tracking their implementation.

Table 12: Commitment Record

Time of making the commitment	Planned time of fulfillment	Actual time of fulfillment	Issues	Content of commitment	How well is the commitment fulfilled	Persons/ departments in charge

4. Developing Channels: Primary Channels and Routes for Community Engagement

4.1 Common Channels of Community Engagement

Rationale

Community engagement is a long and complex process. At different stages of the project, companies may consider different levels of community involvement (inform, consult, involve, collaborate, and empower). Moreover, residents of

the same community are also likely to have different interests and preferences for receiving information. Therefore, companies should pay attention to the flexibility of engagement channels and base their choice on the needs and purposes of engagement.

Action Points

- > Identify topics, target audience, and established goals of engagement
- > Sort out existing engagement channels
- > Determine if certain means of engagement are not applicable to certain groups of people
- > Match the purpose of engagement with the channels

Notes

- ✓ When selecting the channels for engagement, consider the desired level of community participation (inform, consult, involve, collaborate, or empower) regarding given business stage/matter.
- ✓ Try to choose two-way engagement channels, where both parties have the opportunity to exchange views and information, hear each other's opinions, and discuss their own problems.
- ✓ In terms of indigenous peoples, take into account the fact that traditional indigenous leaders do not coincide with elected government leaders.
- ✓ Consider whether the engagement channels may cause inconvenience for specific groups in the community (such as women, elderly persons or people with disabilities).
- ✓ Consider whether multiple languages are used in the community.

[Tool 4.1-1] Common engagement Channels and the Applications⁴⁹

Each community engagement channel has its own advantages and disadvantages. When selecting channels, factors such as budget and the population and education level of the audience should be fully considered to maximise the effectiveness of engagement. The table below lists commonly used community engagement channels and their applications. Companies can choose those that best suit their needs.

Table 13: Common Engagement Channels and the Applications

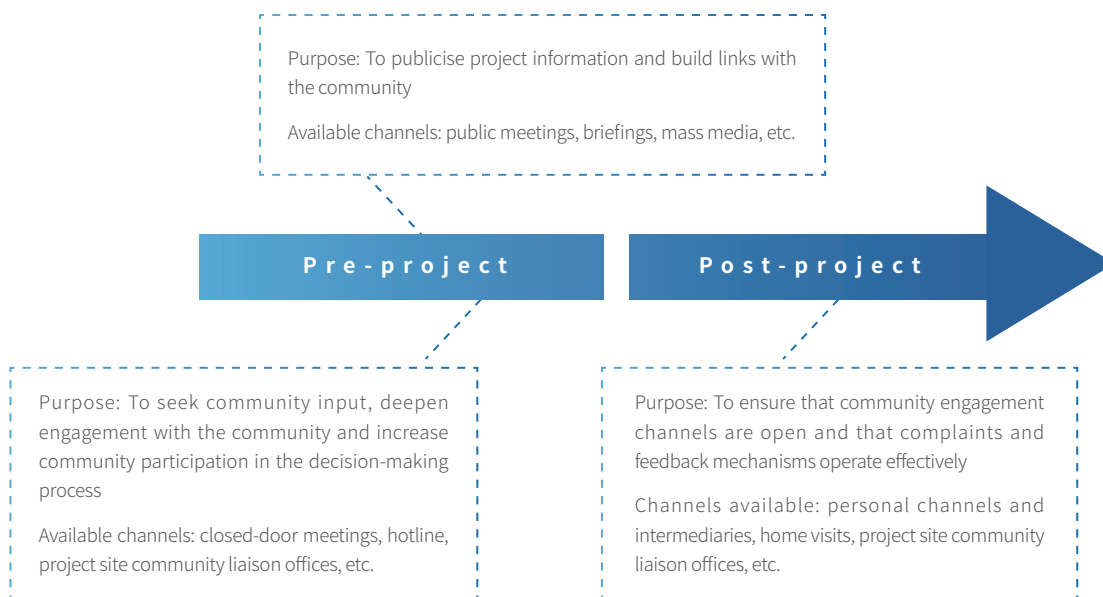
	Channels	Population of audience	Applications	Information acquisition rate
1	Public meetings	Dependent on the venue	Small communities where residents are willing to participate	Fairly low
2	Briefings	Usually small communities	Already formed groups and teams	Fairly low
3	On-site community liaison office	No limit on the number of people but the expertise, workload and cost of full-time and part-time staff should be considered.	Adjacency of the community; Residents have a preliminary knowledge of the project; Office heads have the ability and right to make prompt decisions in the face of emergencies	Fairly high
4	Closed-door meetings	Dependent on the venue	Collect opinions after building a trusting relationship with the community	Medium
5	Home visits	Usually one household per time	Major issues that all residents need to be informed of	High
6	Calls	Usually one person per time	All projects, and it requires sufficient workforce for answering and replying calls	Fairly high
7	Printed materials (brochures, newspaper clippings, instruction books, etc.)	No limit on the number of people but the cost of printing should be considered.	There should be a limit on the number of stakeholders; consider the literacy rate of the community	Fairly low
8	Website	No limit	Places with an Internet connection; video and audio can be used to address low literacy rate	Fairly low
9	Resource library	No limit on the number of people, but the location should be considered.	Online and/or offline resource library	Fairly low

⁴⁹ United States Environmental Protection Agency. (2014). Public Participation Toolkit.

	Channels	Population of audience	Applications	Information acquisition rate
10	Hotline	No limit	Especially suitable for places with limited internet access	Medium
11	Mass media	No limit	A part of the engagement strategy for major projects	Fairly low
12	Social media	No limit	A part of the engagement strategy for major projects	Fairly low
13	Shows (stage shows, dancing, puppet shows, songs)	No limit	Especially suitable for undecided proposals and important notices	Fairly high
14	Broadcast vehicles	No limit	It can go anywhere the audience is	Medium
15	Personal channels and intermediaries (e.g. heads of local village councils, church or NGO leaders)	A small number	Especially suitable for communicating sensitive matters or with special groups (e.g. indigenous peoples, protesters)	Fairly high

[Examples of the application of different channels in different phases].

*This is for reference only, companies should choose the appropriate channel to communicate with the community in relation to their own project characteristics



[Tool 4.1-2] Interview Invitation Template (Telephone)

One-on-one interviews are a common and even essential way to communicate with the community either at the early stages of the project or for discussing specific matters. Compared with home visits, it is recommendable to call community residents in advance to brief the project, explain the purpose of the interview, and ask them to choose a time and place for the interview. The following template can be used for reference.

Hello. My name is XXX and I am calling you on behalf of XXX (company name). You may have heard that we plan to build a XXX project here. The impact of the project on the community and your perception of the project is critical to us and we want to hear from as many community residents as possible.

In XXX weeks, the community engagement head of the project will conduct interviews with the residents in your community to collect views on and expectations for the project. We would highly appreciate it if you are willing to give an interview. The interview will take around one hour and be confidential. The input from you and other members of your community will help us develop a community engagement plan that will benefit the community.

What time will be more convenient for you (provide 2~3 options)?

Is it convenient to do the interview at your home? If no, what other places are more convenient for you? The interview will last for about an hour and may end early.

Our interview is scheduled for [date and time] for now. We will confirm with you again a few days before the interview. You may call me (at _____) if there is any change of plans on your side. If you prefer email, please let me know your email address and I will be in contact with you via email. Your email address is _____.

[Tool 4.1-3] Interview Confirmation Letter Template (Email)

Many conferences begin to convene the public from an early stage. In order to ensure attendance, we recommend notifying participants again by email 1~2 days before the interview/conference. The following email template is available for reference:

Dear XXX,

Thank you for agreeing to participate in the seminar/briefing on the XXX project. The impact of the project on the community and your perception of the project is critical to us and we will do our best to listen to the opinions of as many community residents as possible.

The information you provide will be strictly confidential. During the seminar/briefing, we may talk to some community residents about the project, but we promise not to disclose any personal information. The input from you and other members of your community will help us develop a community engagement plan that will benefit the community.

Our seminar/briefing is scheduled for [date and time] for now. You may contact me in the following ways if there is any change of plans on your side.

Phone:

Email:

[Example 4.1]**CNOOC Group Uganda Kingfisher Oilfield Project Information Communication**

After launching the Kingfisher oilfield project in Uganda, CNOOC researched the common methods of information communication in communities. The company adopted broadcasting, the most widely used tool in villages, as its primary means of communication. In addition, the CNOOC Community Relationship Department would regularly organise villagers to participate in the monthly meetings held by the two-level oil and gas regulatory advisory committee, special information communication meetings for villagers, and awareness campaigns on road safety, healthcare, recruitment, etc. The company also had a series of brochures and information communication documents specially printed to improve communication with the stakeholders, which covered major stakeholder concerns, land use procedures, handling of external complaints, employment opportunities available, and business cooperation procedures. The major stakeholder concerns were also translated into local languages to facilitate the understanding of non-English speakers. Moreover, CNOOC became better aware of how well the stakeholders recognised and what they expected from the company through centralised meetings, individual visits, and questionnaires.



4.2 Means of Engagement for Communities with Low Levels of Education

Rationale

The international contract projects of Chinese companies are mostly concentrated in economically underdeveloped areas. Due to limited education level, it is difficult for local residents to understand text-based messages or very complicated and

macroscopic information. So companies need to take into account the resultant differences in understanding and choose engagement channels that are better suited to the perception capacity of the target audience.

Action Points

- > Find out the education levels and literacy rate of community residents
- > Learn about the means of engagement adopted by earlier comers into the community (such as businesses and civil society organizations) targeting people with low levels of education
- > Consider engaging with people with low levels of education through civil society organizations that have gained the trust of the community

Notes

✓ Community awareness surveys can be conducted on a regular basis to understand the extent to which the community understands and recognizes the information conveyed by the enterprise so as to assess the extent to which community residents accept the means of information communication.

[Tool 4.2-1] Common Means of Engaging People with Low Levels of Education

Some common means of community engagement, such as leaflets and bulletin boards, are not suitable for people with low education levels. Companies should try their best to express the information they need to convey in simple and everyday language and avoid using complex and abstract concepts. They should also try to present information using audio-visual means instead of texts. The following table lists the means and notes of engagement with people with low education levels:

Table 14: Common Means of Engagement with People with Low Levels of Education

Means of engagement	Notes	Advantages	Challenges
Storytelling	<ul style="list-style-type: none"> > Some scenarios and activities suitable for storytelling may be designed in advance to make the storytelling smooth > Be aware that reporters are always looking for a special angle when telling stories 	<ul style="list-style-type: none"> > Enhance the degree of importance the public attaches to the content > Easier to understand and communicate 	<ul style="list-style-type: none"> > Low level of control over the interpretation of information
TV or video contents	<ul style="list-style-type: none"> > With the popularity of IPTV and video, the cost of video publicity has been greatly reduced. Companies can try uploading videos on the Internet 	<ul style="list-style-type: none"> > Low requirements for venues > TV or video programs are more friendly to people with low levels of education than texts 	<ul style="list-style-type: none"> > Fairly high cost > Difficult to measure the effectiveness
Events or exhibitions	<ul style="list-style-type: none"> > All matters related to the business > Ensure there are sufficient staff and resources 	<ul style="list-style-type: none"> > Easy to attract public attention > Friendly to media coverage > Conducive to information sharing among different levels 	<ul style="list-style-type: none"> > Cost is high for activities that involve a large number of participants > Errors at any stage of the event can cause a great negative impact on the corporate image
Set up public open days	<ul style="list-style-type: none"> > Arrange for someone at the entrance to explain the process > Ask every visitor to fill out the comment card > Be prepared to receive many groups of visitors who arrive together > Encourage visitors to ask questions > Set up an information display stand 	<ul style="list-style-type: none"> > Helps the public learn about the company or project progress according to their own timetable > One-on-one or small group communication is conducive to discussing sensitive issues > Not prone to cause media attention > Easy to build trust 	<ul style="list-style-type: none"> > Difficult to record public comments > Liable to provide opportunities for instigators > More manpower is needed in the long run

[Example 4.2-1]

Exhibition Hall for Vientiane-Boten Railway built by China Railway No.2 Group Co., Ltd.

The VI section of the Vientiane-Boten Railway, which was built by the China Railway No.2 Group Co., Ltd., is in close proximity to the city, thus the China-Laos Railway Exhibition Hall was built at the Project Management Department in Vientiane suburbs to showcase the China-Laos Railway to the outside world. The Exhibition Hall has hosted senior leaders, business executives, reporters, etc. from China and Laos. It is also open to the general public and has received many young people from local primary and secondary schools. To give visitors a comprehensive understanding of the Vientiane-Boten Railway project, a sandbox model of the entire Vientiane-Boten Railway was built at a ratio of 1:20000 in the Exhibition Hall. The model uses images and texts to introduce the background, technology, and profound impact of the railway construction, accompanied by the Vientiane-Boten Railway VI Section publicity film. The hall presents the project to the public in a vivid and easily understandable format, conveys a grand image of the China-Laos Railway as a demonstrative "the Belt and Road Initiative" and "China-Laos Strategic Cooperation" project, and is well received by the public.



Figure 5: China-Laos Railway Exhibition Hall



Figure 6: Sandbox Model of the Entire Vientiane-Boten Railway of China-Laos Railway



[Example 4.2-2] Pakistan Karot Hydropower Project

The Karot Hydropower Project in Pakistan was invested and constructed by China Three Gorges International Corporation (CTGI), located on the border river between Punjab and Pakistani-controlled Kashmir (AJ&K) areas in the Gilam River Basin of Pakistan, with an installed capacity of 720MW and a total project investment of US\$1.74 billion, generating 3.2 billion kWh of electricity annually and meeting the power supply needs of 5 million people. The project team conducted a survey and assessment of the potential social impacts, incorporating topics such as resettlement, local talent development and community building into the sustainable governance system. Two community engagement priorities were also identified:

In terms of technical exchange, most of the Pakistani engineers and skilled workers working on the project are from the Punjab and surrounding provinces where the hydropower station is located, and most of them gradually acquire the relevant skills under the guidance of Chinese engineers and skilled workers. The Karot hydropower station is operated and maintained by the Chinese side after completion, and then transferred to the Pakistani government after 30 years at no cost, so that the equipment of the hydropower station will then be handed over to the locals for operation⁵⁰.

In terms of relocation and resettlement of residents, residents on both sides of the Karot hydropower project will need to be relocated due to the impact of the project. In accordance with the IFC performance standards and the actual local needs, the project department has developed a resettlement plan to properly relocate and reasonably compensate the residents affected by the project. In terms of compensation, monetary compensation for migrants was provided in accordance with local government regulations. A local accounting firm was hired to conduct detailed training on the use of money to help migrant families make better use of the compensation. For the re-building of housing, the project department provided new housing in the vicinity of the resettlement site for migrants and made regular visits to understand the production and living conditions of migrant families to ensure that construction was carried out in an orderly and effective manner. The relocation of special buildings included the relocation of cemeteries and the relocation of cultural relics, which may have led to poor communication due to language and cultural differences if done incorrectly, causing doubts and confusion among migrants. The relocation of cultural relics and monuments was carried out in strict compliance with the IFC's social and environmental performance criteria of "Cultural Heritage Protection".



⁵⁰ Source: <https://baijiahao.baidu.com/s?id=1631662071179242281&wfr=spider&for=pc>

4.3 Methods and Tools for Selecting Local Partners

Rationale

Learning to work with NGOs and making the transition from being resistant and passive to being open and active has been the route taken by Chinese companies and a necessary approach to their globalization in the future.

NGOs play an important role in social governance and their participation would help promote the implementation of China's social and environmental policies for foreign investment at the enterprise level. Giving full play to the role of NGOs in supervision, advocacy, and cooperation in the investment process and promoting the consultation, communication, and cooperation between Chinese companies and stakeholders in the host countries will help companies better identify and respond to the social and environmental risks and problems during investment.

Companies have a paramount impact on the society and the environment. For NGOs to be connected with companies and, taking it one step further, to change their behaviors or even mindsets in certain ways is an important means of pushing forward social progress. In addition, some NGOs are under ever greater pressure to source funds, and funding or purchase of services from companies are gradually becoming an alternative.

Chinese companies investing overseas should put more focus on cooperation with Chinese "going out" NGOs. At the same time, they should work to establish consensus, achieve efficient implementation, and deliver good results by seeking cooperation with local NGOs and communities with assistance from Chinese NGOs' offices in the host countries.

Action Points

- > Find out active civil society organizations in the host country, highlighting those whose focus areas well overlap with the enterprise's projects (such as river protection organizations for water conservancy projects and land rights organizations for projects involving large-scale demolition)
- > Select civil society organizations with the foundation for cooperation. The criteria for assessment include but are not limited to:
 - > Having a common goal or strategic interest, although the positions may vary
 - > Having the will and ability to share in the financial costs
 - > Smooth information sharing, transparent cooperation, and joint field work
 - > Complementary resources and capabilities
 - > Sharing the risks in finance and reputation, and benefits of a common cause
 - > Willing to conduct sound cooperation with Chinese enterprises

- > Conduct due diligence on civil society organizations to understand their background, funding sources, and past project experience
- > Identify expectations for the partnership: How will the cooperation help both parties achieve their goals?
- > Depict the ideal scenario: Under ideal conditions, what can the cooperation achieve? What changes will it effect?
- > Clarify the role of NGOs in future cooperation mechanisms: In charge of supervising on the governance level (the board of directors), partner liaison on the implementation level, audit monitoring, or grievance mechanism?
- > Take the initiative to contact the selected civil society organizations to express intention for cooperation
- > Communicate with the corporate headquarters to obtain authorization for cooperation
- > During cooperation, adhere to the principle of openness and transparency, actively seek communication, and constantly adjust and improve the partnership project
- > Evaluate the implementation process and impact of the project

Notes

- ✓ Enterprises should keep an open mind and understand the differences in the identity and stance between social and commercial organizations while realising that this does not mean they have to give up their stances or opinions.
- ✓ Try to look at issues from the perspective of the other party. Walk in their shoes to understand their position instead of completely rejecting ideas different from one's own.
- ✓ Understand the language used by civil society organizations.
- ✓ Understand the scope of authority and bottom line when negotiating with the other party.
- ✓ Understand that the interaction between enterprises and NGOs is not static: confrontation can be turned into cooperation and vice versa.

[Tool 4.3-1] Channels for Chinese Companies to Establish Connections with Overseas CSOs

There is a diverse range of channels for Chinese companies to establish preliminary relationships with overseas civil society organizations. The following table lists the common channels and corresponding notes:

Table 15: Channels for Chinese companies to Establish Connections with Overseas CSOs

Channels	Approaches	Notes
Direct contact	Discover potential partners by consulting domestic and global civil society organization index and reports and make appointments by email or telephone.	Attach importance to investigating and evaluating potential partners.
Domestic and foreign government departments and embassies and consulates	Companies can consult relevant government departments on policies, regulations, and potential partners as they usually have more relevant information	Government departments include not only the competent departments of civil society organizations but also relevant departments under the Ministry of Foreign Affairs and the Ministry of Commerce.
International NGOs/civil organization networks	Companies can use the resources of international NGOs and civil society networks to acquire more information faster.	Form a clear understanding of the areas of cooperation before the visits
Civil society organization forums and conferences	Companies have direct access to target organizations in those activities or may get introduced by organizations they already know.	Activities selected for participation should be relevant to the areas of community activities envisioned by the company.
Professional public welfare consultancy	Target areas and potential partners can be reviewed and evaluated leveraging the experience and expertise of a public welfare consultancy	Investigate the professionalism of the consultancies.

[Tool 4.3-2] List of Chinese "Going out" CSOs

It has not been long since Chinese civil society organizations first went overseas. Some of the forerunners have already launched a number of projects abroad and even set up overseas offices, thus building a sound understanding of the local society. Therefore, Chinese companies may consider engaging with those civil society organizations first. The following table is a list of Chinese civil society organizations that are known to have "gone out":

Table 16: Partial List of Chinese "Going out" CSOs

Name	Website	Focus areas	Regions
The Amity Foundation	http://www.amity.org.cn	Poverty alleviation, disaster relief	Global
China Foundation for Poverty Alleviation	http://www.cfpa.org.cn/	Charity	Southeast Asia, Africa, Latin America
Global Environmental Institute	http://www.geichina.org	Environment	Southeast Asia, South Asia
China Youth Development Foundation	http://en.cydf.org.cn	Education	Africa

[Tool 4.3-3] Local CSO Networks/Resource Libraries in the Eight Southeast Asian Countries

Many countries have a large number of civil society organizations, and some organizations that are very influential in the local area are not necessarily well known to outsiders. The civil society organization networks/resource libraries gather information of the majority of the civil society organizations in the local country/region to facilitate companies' search for potential partners:

Table 17: List of CSOs in the Eight Southeast Asian Countries

Country	Website
Laos	http://www.directoryofngos.org/
Vietnam	http://www.ngocentre.org.vn/
Cambodia	http://www.ccc-cambodia.org/
Indonesia	http://www.smeru.or.id/en/content/ngo-database
Malaysia	http://www.hati.my/
Myanmar	http://themimu.info
Thailand	http://wiki.p2pfoundation.net/NGOs_in_Thailand
Philippines	http://www.pcnc.com.ph/ngo-list.php

[Tool 4.3-4] CSO Partnership Evaluation Form

A good partnership is the basis for a successful collaborative project. The assessment form below focuses on the competencies, fit, communication processes, and decision-making mechanisms of the various parties involved.

Table 18: CSO Partnership Evaluation Form

Aspects	Content	Evaluation
Appropriate representatives	<ul style="list-style-type: none"> > Every representative of the partner is actively involved in the cooperation process. > Every representative is highly competent and competitive (knowledge reserve, mature skills, practical experience), can make decisions on behalf of the company, and participates actively in the discussions. > Partner representatives stay in touch and establish long-term relationships (there can be more than one representative) 	
Sufficient resources	<ul style="list-style-type: none"> > Each party of the cooperation has corresponding employees, funds, equipment, etc. in place 	
Accurately define the roles and responsibilities of each party	<ul style="list-style-type: none"> > Make sure to utilize the advantageous resources of each partner > Partners understand and accept the logic of human resources arrangements 	

Aspects	Content	Evaluation
Decision-making	<ul style="list-style-type: none"> > Transparent and open decision-making processes should cover the following aspects: <ul style="list-style-type: none"> · Listen and refer to all opinions and suggestions before decision-making · Joint decision-making should be approved by a majority of partners (but each party can make its own decisions within its respective mandates) · The decision-making should play a positive role in promoting overall cooperation 	
Leadership	<ul style="list-style-type: none"> > Leaders can clearly articulate the goal of cooperation, provide strategic guidance, promote close collaboration among all parties, and facilitate closer connections and more efficient communication > Leaders can encourage more parties to communicate and express different opinions 	
Sound meeting procedures	<ul style="list-style-type: none"> > Participants can offer constructive ideas and suggestions; meetings are on time and efficient; well-prepared and tight schedules > Partner meetings can encourage the involvement of participants and enhance the fairness of cooperation 	
Work progress	<ul style="list-style-type: none"> > There are clear phased outputs, responsibility allocation, and agenda during the work process > Mutual supervision between partners 	
Good cooperation and communication	<ul style="list-style-type: none"> > Both parties understand the reasons and process of their cooperation; if necessary, both parties can obtain important information related to cooperation, past communication records, etc. > The two sides maintain an open and inclusive dialogue towards possible problems and contradictions in the cooperation > Both partners feel that they can communicate their respective and common goals and the quality of cooperation 	
Trust and teamwork	<ul style="list-style-type: none"> > Trust the partner to be competent for the job and able to jointly finish the project on time; seek help from each other when necessary > Respond to the partner's demands promptly and provide support to the best of one's ability > When a problem occurs, both parties are willing to help each other and communicate openly > Both parties fully consider the interests of the other party and are willing to make changes to help each other achieve their goals 	
Commitments	<ul style="list-style-type: none"> > Each party clearly understands its own cooperation commitments, including providing resources, actively participating in meetings, and completing tasks on time or even ahead of time. > Each party is concerned about the interests of the project itself and the other party and try its best to help achieve both. 	

[Tool 4.3-5] List of Qualification Documents for Partner NGOs

When choosing foreign NGOs to work with, the first step is to ask them to provide relevant documents and materials to facilitate more targeted due diligence and capability assessments afterward. In practice, with guaranteeing that the potential partnership between the company and the NGO will not break down, companies can examine and assess documents provided by the potential NGO.

Table 19: List of Qualification Documents for Partner NGOs

Project	Content	Review or provide
Qualification documents and decision-making process of institution	Registration documents and certificates, etc. of the institution	Provide
Financial situation	Audited financial statements (balance sheet, profit and loss statement, cash flow statement, and appendix) over the past three years	Provide
Administrative organization	Organizational chart	Provide
	Personnel list, including name, position, date of employment, and the basic salary and incentive pay of last year	Provide
	Summative resume of each department head	Provide
	Internal regulations (if any)	Review
	Administrative procedures manual (if any)	Review
	Any additional procedures manual	Review
Information management	Internal information flow tools of the organization	Review
	List of reports automatically generated by the system and specific examples of each type of report	Review
Accounting	Accounting chart	Review
	Trial balance and summary form for the past three years (financial statements that are over 5 months old are to be grouped with those less than one year old)	Review
	Recent physical inventory (for example, fixed asset documents, inventory documents, for evaluation purposes only)	Review
	Accounting procedures manuals (guidelines, precautions, etc.) that may include purchasing procedures	Review
Project management	Project management procedures	Provide
	Project management manuals	Review
	Project monitoring methods	Review
Ex-ante research	Feasibility study/market research	Review
Strategy	This year's budget	Review
	Business plan: medium and long-term strategic plans, including financial forecasts for the institution's future growth	Review

[Example 4.3-1]

CNOOC Uganda Kingfisher Oilfield Project Cooperates with NGOs to Promote Community Capacity Building

According to *More Transparency Less Risk (2015)*⁵¹, most Chinese companies are not motivated enough to communicate with local NGOs when operating overseas because they do not know how to. CNOOC Uganda, however, conducted community stakeholder identification with the aid of local employees, governments, and NGOs. Moreover, throughout the entire process of community relationship management, its understanding of the culture, feelings, and concerns of the local community not only served as a breakthrough in knowledge but also provided a feasible approach to boosting the participation of local stakeholders⁵².

The CNOOC Uganda Kingfisher oilfield is located in a region where power and water conservancy facilities are scarce, and the villagers are mainly engaged in local fishing, agriculture and animal husbandry. Without an established secondary industry, the region is extremely sensitive to light, sound, and dust pollution. CNOOC's community liaison officers and the partner NGOs joined hands to conduct awareness campaigns among villagers, clearly presenting to them information such as the degree of noise, light, and pollution during the road construction based on the standards of the environmental and social impact assessment report.

The economic development in Uganda has doubled the number of motor vehicles in recent years, with 95% remaining used cars imported from abroad. This, coupled with poor road conditions, has resulted in frequent occurrences of severe traffic accidents.⁵³ Collaborating with the local NGO "Safe Way Right Way", CNOOC actively promoted and encouraged safe driving among local residents. Meanwhile, when the company worked with China Communications Construction to jointly build the first Kingfisher oilfield road among cliffs, its community relationship management staff partnered with local NGOs in a concerted effort to raise awareness on traffic safety in neighbouring villages by means of broadcasting and printed handbooks.



⁵¹ Reducing Risks with Transparency: A Study on Transparency and Risk Management of China's Overseas Investments in the Extractive Industry", Business and Economics, Tsinghua University, 2014

⁵² Duan Zhirong, "Reducing Risk with Transparency - An Operational Approach to Obtaining Social License and Reducing Risk for Overseas Investment", 21st Century Business Herald, 2015

⁵³ Notes on Travelling to Uganda, Embassy of the People's Republic of China in the Republic of Uganda.

[Example 4.3-2]**PowerChina Nam Ou River Project Actively Cooperates with Various Institutions**

The PowerChina Nam Ou River Project attaches great importance to cooperation and dialogue and has created a sound environment for communication and strong cooperative relationships with local partners. It actively discloses information and performance to various stakeholders, prioritises cooperation with research institutes, international NGOs, and various social groups, and has taken the initiative to establish communication and dialogue mechanisms. Besides officials from the Ministry of Energy and Mines (Lao PDR) and Department of Immigration (Lao PDR) stationed at the project site, the third-party consultancy ILF is also employed by the Lao government to conduct project patrols on a quarterly basis. The project department has fostered positive engagement with the ILF, listening to its advice with an open mind, and is highly recognised for its efforts. Apart from signing a security agreement with the Lao Ministry of National Defence and inviting local enterprises to participate in migration projects and reservoir clean-up, the company also engages local police in joint initiatives and trains hydropower talents in partnership with local schools. Moreover, large-scale coordination and communication meetings are organised every year by the Lao Central Government, National Assembly, and local governments to solve problems related to the project and local community.

In March 2018, the Nam Ou River Project hosted the Mekong River Commission Advisory Expert Delegation comprising Mekong River Commission members, the German Agency for International Cooperation (GIZ), Lao government representatives, and independent international consultants. Drawing on its investigation, the delegation gave high acclaim to the building, civilised construction, and environmental efforts of the Nam Ou River Project. Additionally, the project department has conducted dialogues and cooperation with numerous NGOs such as the International Rivers and the Village Focus International, cultivating an informed knowledge and objective evaluation of the Nam Ou River "one reservoir and seven grades" whole-basin development plan among the NGOs. The company also takes an active part in various international seminars to allow the outside world to understand its entire project development process in a truthful and transparent manner, realise information disclosure and sharing, and reduce misunderstandings. Moreover, it has worked with research institutes to conduct joint research projects, delivering management innovations and experience and creating a good environment for cooperation.



4.4 Tactics for Communicating with the Media

Rationale

Chinese companies that operate overseas seldom give interviews and are often criticized by western media for information opacity. As a result, the local society cannot form a comprehensive understanding of their projects. Avoiding news media also causes mistrust between the two parties, which adversely impacts the companies' efforts to communicate true information and build a reliable image.

When communicating with the news media, there are certain must-have skills for the companies in order to define the boundaries of communicable information and avoid unintentionally leaking confidential business information. They should also stay open and honest and work to build trust and reduce the possibility of misinterpretation and misunderstanding.

Action Points

● When the media are needed:

- > Establish the goal of media communication (such as increasing corporate visibility, responding to negative events, and publishing community consultation results)
- > Identify target audience (such as the community where the project is located, the general public of the host country, the international public, and the Chinese public)
- > Prepare information to be published through the media
- > List the media with great influence on the target audience (including newspapers, TV, radio, social media, etc.; the influence is reflected not only in the circulation, viewership, number of followers, etc. but also in credibility, reputation, objectiveness, and openness.)
- > Apply for permission from the company's marketing/public relations department (or relevant departments at the headquarters) pursuant to the company's regulations

● When approached by the media:

- > Determine the time for an interview with the reporter to ensure enough time for preparation
- > Ask the reporter to send the list of questions via email before the interview
- > Evaluate the position and target audience of the media, including their political positions, so as to predict their opinions and possible risks and emergencies outside the question list
- > Ask for the permission of the project leader or the marketing/public relations department at the headquarters (especially when the reporter is inquiring about a negative event) pursuant to the company's regulations
- > Prepare for the interview based on the list of questions (when necessary, seek assistance from the marketing/public relations department in developing an interview strategy)
- > Rehearse the interview with colleagues the day before the interview and try to cover all the issues that may invite query or attack (even if they are not in the list of questions provided by the reporter)

Notes

- ✓ Companies should take the initiative to connect with local/international media when participating in public activities
- ✓ When the information is directly related to the community where the project is located, try to communicate directly with the community residents before it is released by the media
- ✓ In the case of a negative event, the sooner one takes the initiative to go to the media, the more favourable the situation
- ✓ When one does not know the answer, explain the situation in good faith and let the reporter know the latest time that they will get a reply
- ✓ Be alert to hypothetical questions and ask the reporter for interview questions based on facts rather than assumptions
- ✓ Be alert to closed questions; give one's own explanations instead of falling into the reporter's assumptions
- ✓ Fully understand international rules when dealing with reporters and avoid directly copying the approaches used at home
- ✗ Try **not** to reject the media's interview requests, but be prepared before the interview
- ✗ **Avoid** Be clear about the boundaries of information disclosure, and **avoid** lying
- ✗ Try to treat all Chinese and foreign media as equals, and **avoid** favouring one over another
- ✗ When faced with sensitive questions, do **not** suddenly change the subject or say "I don't know" bluntly; instead, tell the media that you are not currently in a good position to comment
- ✗ Do **not** easily agree on exclusive reporting – important news should be posted on as many platforms as possible
- ✗ Do **not** argue with reporters; when having a difference of opinion, just give your answer
- ✗ Do **not** readily believe the data or facts given by the reporters, unless they match what you know
- ✗ Do **not** bribe the reporters (such as offering to cover the traveling expenses)

[Tool 4.4-1] Newspaper Announcement for Convening Public Meetings

In some communities, the traditional print media is the main way for residents to access information. Companies can purchase newspaper space to post notices for community-related gatherings or important news. The following template is available for companies to use when convening public meetings:

Table 19: List of Qualification Documents for Partner NGOs

-- Announcement --

[Company name]

[Project name]

[Project location]

-- XXX Project Draft --

[Project Profile]

In order to better hear and understand the concerns of community residents, [company name] will collect public opinions from [date] to [date]. In the meantime, you are welcome to submit any comments on the project.

After the opinions have been collected, [company name] will hold a meeting to discuss the draft compensation plan and the opinions of all parties. The time and place are tentatively set for:

[Time]

[Place]

Written opinions regarding the project compensation agreement can be mailed to the address below:

[Name of recipient]

[Mailing address]

For more information, please contact:

[Name of community engagement officer]

[Telephone]

We sincerely hope that all relevant parties can read the draft plan and actively participate in the discussions. For more information about the project, please visit

[website].

[Example 4.4]

PowerChina Nam Ou River Project Receives the Lancang-Mekong Cooperation Media Summit Joint Interview Group

People's Daily and the Lao Ministry of Information, Culture and Tourism, and with over 120 representatives from the national government, media, and enterprises participating, drove the Lancang-Mekong Cooperation mechanism to deliver results around the theme of "People-to-people bonds for Community of Shared Destiny". As a demonstrative project for regional connectivity, the Nam Ou River Cascade Hydropower Plant was an important stop of the joint interview. On that day, an interview group consisting of over 30 journalists from the mainstream media of six countries, including People's Daily⁵⁴ (people.cn) (China), Lao National Television (Laos), The Cambodia News.Net (Cambodia), Myanmar News Agency (Myanmar), Thai Rath (Thailand), and Vietnam News Agency (Vietnam), conducted interviews at the Grade I hydropower station of the Nam Ou River Cascade Hydropower Plant.

At the Grade I hydropower station, the head of the Nam Ou Power Co., Ltd. gave a detailed introduction to the experience and practices of its plants in sharing engineering technologies, caring for environmental protection, and fulfilling social responsibilities. Relevant officials from the local government spoke highly of the outstanding contribution of the power plants to local economic and social development and their achievements in migration, environmental protection, etc. The interview group studied the civilised construction on the spot and learned in depth the application of the "zero emissions" dry-process sandstone production system. The group visited the new migrant village Huilou Village to learn about the locals' resettlement and livelihood, took a tour at the fully-equipped campsites of the power station owners, and watched Nam Ou River Full of Feelings and Images: PowerChina Sustainable Development in Laos.

Compared with text reports, image information is more condensed and communication-friendly. Images: PowerChina Sustainable Development in Laos consists of five parts, i.e. PowerChina Responsibility, Green PowerChina, PowerChina Culture, PowerChina Public Benefits, and PowerChina Voices, and over 20 stakeholders appear in it to tell the brand story of PowerChina in Laos from the economic, environmental, and social perspectives.⁵⁵



⁵⁴ Source: http://www.fcbmis.com/art/2018/7/4/art_796_222266.html

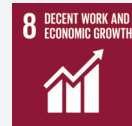
⁵⁵ Source: http://www.powerchina.cn/art/2018/1/26/art_19_270397.html

[Example 4.4]

PowerChina Nam Ou River Project Receives the Lancang-Mekong Cooperation Media Summit Joint Interview Group

Nam Ou River Full of Feelings, on the other hand, tells the story from the angle the locals. The video features Lao employees as the leading roles, and, through the lens of their daily work and life, depicts how PowerChina Resources Limited (PCR) adheres to the concept of "Green and scientific development" and contributes to the socioeconomic development in Laos by actively implementing the localization strategy, helping local employment and consumption, and making a strong effort in delivering public benefits and promoting local livelihoods. The film was played at the Nam Ou River Grade II Hydropower Plant Power Generator Ceremony and replayed continuously in the local area. The film was very well received and established a good corporate image among the locals.⁵⁶

Through the field interviews, the journalist group showed high recognition and praise for PowerChina's efforts to improve the local economy and livelihoods during the construction of its Nam Ou River Cascade Hydropower Plant in Laos by adhering to the concept of "Scientific exploitation and green ecology".



⁵⁶ Source: http://www.powerchina.cn/art/2016/4/1/art_19_163001.html

5. Effective Execution: Efficient Ways to Conduct Community Engagement

5.1 Budget Planning

Rationale

It is crucial to fully consider the expenditures of each activity and make an accurate budget plan before the community project begins. For many multinational companies, community engagement is an important part of the overall social responsibility strategy, and there is always established mechanisms and processes to follow when making the project and budget planning.

However, this is not the case for most of China's international contracting companies. Without such mechanisms in place, budget planning for community engagement activities needs to start from scratch, covering issues like the specific tasks involved, the budget for each task, whether the budget is in line with the enterprise's overall spending distributions, etc.

Action Points

- > Understand the budget and expenditure of the enterprise and its industry peers for community engagement..
- > Identify the number, form, and content of activities that need to be covered in the project's community-related efforts.
- > Classify the content of the community work (such as public benefits/charity, relationship maintenance, media campaigns, etc.) and compare the enterprise's past expenditures in those areas.
- > When making budgets, consider the division of related responsibilities at the headquarters, overseas representative offices/subsidiaries, and the community where the project department is located.
 - > The community-related budget at the headquarters should include strategy development, training, and information disclosure, as well as funding for high-level initiatives.
 - > The budget for overseas representative offices/subsidiaries should include public relations maintenance in host countries (such as the governments, media, and embassies or consulates), donations, implementation of global strategic activities launched by the headquarters, etc.
 - > The budget for the project department should include labor costs for community engagement, costs of community activities (such as public meetings and shows), spending on projects designed to support community development (such as building schools, roads, and power lines for the community), etc.

Notes

- ✓ Community-related expenses of multinational companies usually account for 0.5%~1.5% of their total profit%⁵⁷
- ✓ Try to keep community projects fewer and bigger to produce greater influence (fewer, bigger, better).
- ✓ When making the budget, take into account the tax law and tax rate calculation method of the host country so as to benefit from legitimate tax avoidance and leave more funds for the projects.
- ✓ Project partners (such as NGOs, consultancies) need to adhere to the principle of financial transparency, report their expenditures regularly, and seek timely communication when the actual expenditures differ from the budget to ensure that the changes are necessary and appropriate.
- ✓ The financial requirements for the partners should match the enterprise's own financial procedures and be clearly articulated to the partners in advance.

[Tool 5.1-1] Community Engagement-Related Project Budget Form Template

The budget form template below lists costs that can be generated by community engagement and the priorities in budget making. It can be referenced by companies based on their own needs:

Table 20: Community Engagement Related Project Budget Form

Category	Content	Considerations
Community engagement projects	<ul style="list-style-type: none"> > Community activities led by the Community Engagement Department > Activities led by other departments (such as the Human Resources Department) that require support from the Community Engagement Department 	<ul style="list-style-type: none"> > Fees for activity implementation > Extra administrative costs for outsourced projects (such as local NGO implementation)
Donations	<ul style="list-style-type: none"> > Cash donations > Material donations 	<ul style="list-style-type: none"> > The social benefits of direct donations are usually smaller than that of community engagement projects, so a greater portion of the budget should be directed to the latter > The donation funds do not usually come from the Community Engagement Department but should be included in its budget

⁵⁷ This is for Chinese companies only. The relevant budgets, including those in tool 5.1-1, are also calculated based on the proven community communication model of multinational companies. Chinese companies should still consider the various aspects of the company and project reality, integrate resources and balance this budget.

Category	Content	Considerations
Employee involvement	<ul style="list-style-type: none"> > Volunteer services > Employee fundraising and company matching > Human resources cost for community engagement officers 	<ul style="list-style-type: none"> > Employee involvement in volunteer activities during working hours should be included in labor costs > Public relations-related expenses (such as corporate branded T-shirts, publicity activities) should be considered > Generally speaking, company matching of employee giving brings little benefit to the company except for some media coverage > Set aside some budget for staff training > Set aside some budget for emergency donations such as disasters
External consultation	<ul style="list-style-type: none"> > Develop community engagement plans > Implement community engagement projects > Collaboration in specific areas (such as establishing channels for NGO dialogue) 	<ul style="list-style-type: none"> > Many experts are not employed by any organization, and there is room for negotiation when it comes to their fees for participating
Marketing	<ul style="list-style-type: none"> > Human resources cost for the internal Publicity Department And/or > Communication and outsourced public relations services 	<ul style="list-style-type: none"> > Outsourcing services makes it easier to find more newsworthy news items > In general, publicity costs account for 10%-15% of the total community project budget
Evaluation	<ul style="list-style-type: none"> > Internal evaluation And/or > External evaluation 	<ul style="list-style-type: none"> > In general, evaluation costs account for 5%-10% of the total community project budget
Join membership-based community affairs platform organizations	<ul style="list-style-type: none"> > Membership fee 	<ul style="list-style-type: none"> > Joining such organizations helps companies keep abreast of the latest community affairs and build relationships, etc. > Large multinational companies typically spend \$7,500-\$22,500 a year in this category, and SMEs spend less
Others	<ul style="list-style-type: none"> > Disclosure of community-related efforts > Cross-border team exchange programs 	<ul style="list-style-type: none"> > Some companies disclose their community-related efforts in the CSR report or country-by-country report, so there is no need for extra budget. > The headquarters of large multinational companies usually provide partial or full funding for team exchange programs

5.2 Selecting Key Intermediaries and Build Trust with the Community

Rationale

Mutual trust is crucial for guaranteeing smooth communication of information between an enterprise and the community and a prerequisite for establishing sound engagement. However, the efficiency of engagement can often be severely compromised at an early stage, when the community has little understanding of the enterprise and its projects, and the enterprise has not yet accustomed to the local religion, culture,

and ways of communication. This then causes the community to lose trust in the enterprise.

There are many ways for companies to cement mutual trust and deliver better communication, including communicating information through key intermediaries with high prestige in the community, participating in major community events, and providing necessary assistance to the community.

Action Points

- > Investigate the structure of the community, identify, and connect with the authoritative leaders in the community, who are the key intermediaries for communication
- > Understand the development needs of the community and design community building activities based on the enterprise's strengths and budgets
- > Find out major local festivals and learn about community customs and lifestyles in depth
- > Develop a community visit timetable

Notes

- ✓ When in need of an intermediary to facilitate the communication, select someone trustworthy and do so with discretion.
- ✓ Different countries have different social structures, so the identity of the key intermediaries may vary greatly, and the selection should be based on an in-depth knowledge of local social conditions.
- ✓ Even if the selected key intermediaries have high prestige, a large audience, and the ability to help companies conduct community work efficiently, the communication efforts should not stop here. It is still essential to collect firsthand feedback from community residents, as even local authorities do not always represent all the genuine ideas of the community residents or accurately convey the enterprise's messages to the residents.

- ✗ Do **not** visit the community only when major events occur. Visiting the community on a regular basis helps build customary interactions between the two parties and incorporate two-way communication into daily life and work.
- ✗ If there is a plan to implement infrastructure construction or capacity enhancement projects for the community, match the enterprise's strengths with community needs to **avoid** excessive financial pressure or projects that cannot address the real needs of the community.

[Example 5.2]

PowerChina Lao Project Selects Local Village Heads as Key Intermediaries

When PowerChina carried out community engagement activities in Laos, it thoroughly studied the local social and administrative system and community structure and selected local village heads as the key intermediaries for community engagement.

The administrative system of Laos consists of four levels: central, provincial, county, and village. The village government is the most basic administrative agency of the Lao administrative system and is led by the village head who manages the village's internal affairs, with assistance from the deputy village heads and team leaders (or members of the village committee). The village heads are elected by the villagers and are not national public servants. They deal directly with the people, often enjoy a good reputation among the villagers, and can convey villagers' demands comprehensively.

With the village heads as the key intermediaries, the project department of PowerChina started building connections with them as early as the investigation stage to learn about the communities and introduce them to the project's basics, its potential impact on the community, and the employment opportunities. The village heads would then convey such information to the residents at internal community meetings and pass on their feedback to the company.

Thanks to the communication and coordination of the key intermediaries, the company was able to effectively identify the interests and needs of local communities and go on to design CSR programs to promote community integration. The project department took the initiative to help the locals repair the roads, reservoirs, and other convenience facilities, visited local communities on a regular basis, and held China-Laos balls at important festivals. Given the lack of skilled labor in Laos, the company set up the Laos Workers Vocational School for local workers with a view to improving local employment and company localization. To remove the residents' doubts about the company, it provided free accommodation and subsidies for the trainers. Through this series of measures, the company secured the trust of local people and achieved effective engagement.



5.3 Tactics for Effectively Convening Public Meetings

Rationale

Community public meetings are suitable for occasions targeting a large population of residents, in particular for announcing major news or responding to community concerns. Those

meetings are a good way to dispel the worries that afflict the residents when expressing their opinions alone.

Action Points

Refer to [Tool 5.3-1].

Notes

- ✓ Pay attention to the possible negative effect of public meetings as misinterpretation or misunderstanding of information may occur
- ✓ Hold meetings at places with easy access by transport, with consideration for the travel of people with limited mobility (like the elderly and the disabled)
- ✓ Be sure to have security plans in place before public gatherings in case of emergencies
- ✓ All conference staff have to participate in the rehearsal
- ✗ Do **not** convene public meetings unless to release significant information
- ✗ Do **not** convene public meetings just to release general information
- ✗ Do **not** convene public meetings when announcing a negative or controversial event for the first time
- ✗ Do **not** convene public meetings on festivals or public holidays
- ✗ Do **not** convene public meetings in the week before a major juncture (such as tax declaration day, or Eid al-Fitr), when the residents may be busy preparing for it

[Tool 5.3-1] Checklist for Planning Public Meetings

A public meeting involves a cumbersome and complicated array of work items. In order not to leave anything out, the following checklist is available for reference and can be tailored to the specific meeting.

Before the meeting

Date and time: _____

Location: _____

Name of contact for venue rental: _____

Phone number: _____

Rental rates: _____

Venue capacity: _____

Estimated number of participants: _____

Is a court clerk needed?

Yes No

Name: _____

Contacted/Confirmed

Rates: _____

Is a translator needed?

Yes No

Name: _____

Contacted/Confirmed

Rates: _____

Have all key stakeholders been notified?

Project managers: _____

Police station: _____

Power Supply Bureau: _____

National government: _____

Local government officials: _____

Others: _____

Prepare the meeting agenda

Prepare meeting evaluation form

Prepare the speech

Confirm with the emcee

Prepare video or image materials

Confirm the time and place of rehearsal

Before the meeting

Date: _____

Time: _____

Location: _____

Meeting rehearsal

Finalise meeting agenda

Last-minute checks and opening speech

Meeting Notification

Notify all the key community contacts

Prepare and distribute meeting materials

Prepare press release

Date of release: _____

Store meeting information in the project database

Prepare notifications for the public

Determine the release date of notifications (2~3 weeks before the event): _____

Determine the deadline for publishing notifications: _____

Rates: _____

Date for the press release to reach the media: _____

Audio visual equipment

Projection equipment

Projection screen

Presentation laser pointer

DVD player/television

Microphones (desktop/handheld)

Voice recorder/battery

Camera/memory card

Video camera/memory card

Power strips

Power extension cords

Venue preparation

Arrange tables, chairs, and equipment

Responsible parties: own staff____; third parties: _____

Time for venue decoration: _____

Venue preparation

Time for venue clearing: _____

Arrangement of security staff (confirm XX days before the meeting)

Cleaning services

Bathrooms

Ventilation equipment

First-aid kit

Venue clearing

Responsible parties: own staff____; third parties: _____

Podium

Meeting tables

Media seats

Materials

Signage

Table signs

Attendance forms

Meeting agenda

Business cards

Blank paper/pens

Whiteboard/markers

Disposable paper cups

After the meeting

Return equipment

Inquire about community resident meetings

›Respond to requests for information

Distribute meeting minutes

Send a thank-you letter

Prepare meeting evaluation

Add participants to the mailing list

5.4 Recording, Archiving, and Disclosing Community Engagement Activities

Rationale

With the consent of the target audience, make a written or audio/video recording of the communication process, which can be used as evidence in the event of future disputes. At the

same time, some information can be released to the outside world to demonstrate the enterprise's efforts and achievements in community engagement.

Notes (Code)

- ✓ If the communication has been intended as a closed-door meeting, it should not be audio or video-recorded; text and image recording should also be conducted with discretion.

[Tool 5.4-1] Community Affairs Agreement Announcement Template (Newspaper/Bulletin Board)

After reaching an important consensus with the community, it is recommended that the enterprise publish the results. This will not only allow the community to know the progress of the negotiations in a timely manner but also prevent disputes that may arise in the future. The published content should be concise and straightforward, with a clear statement of the time and place.

After collecting and thoroughly considering the public's opinions on the [project name], [company name] has reached an agreement with the community committee/representatives on [date] at [location], which goes as follows:

[Key points of the agreement]

[Action plan targeting the above issues]

For relevant documents, consult online references:

[Website] _____

Or visit community data library:

[Address] _____

6. Monitoring Feedback: Communication as a Continuous, Cyclic Process

6.1 Establishing a Community Grievance and Response Mechanism

Rationale

When a project has negative social and environmental impacts in the community, complaints are bound to arise. Establish a sound grievance mechanism to allow members of the impacted communities to pose questions, express concerns, or file complaints, openly or anonymously. Establish and maintain a publicly available and easily accessible channel to facilitate timely understanding and use. How

fast an enterprise responds and how it handles a complaint will have significant implications for how it is perceived. Even when there is a dispute or a disagreement during the communication, the enterprise should also respond positively and plan the response time. The size of the grievance mechanism should be commensurate with the risk and impact level of the project.

Basic Principles of an Independent Complaints and Investor Relations Management (IRM)

- > Clear objectives and trust of the various stakeholders
- > Reasonable, participatory, transparent, fact-based decision-making
- > Positive acceptance of and response to complaints and criticism
- > Achieve results that exceed expectations (at frontline staff/team level)
- > Respect for public comments or complaints, protect complainants' confidentiality, and give continuously institutionalized improvements

Action Points - Checklist for Effective Complaint Mechanism⁵⁸

● Daily work

- > Establish easy-to-use complaint channels⁵⁹, taking into account the education level of community residents

⁵⁸ Environmental and Social Management Systems Toolkit, International Finance Corporation, World Bank Group, 2015

⁵⁹ The occurrence and handling of grievances or investment practices are multi-level and multi-demand, either at the lowest level or requiring communication beyond the community to the relevant departments, or even directly to company management or corporate headquarters. Therefore, depending on the actual needs, internal grievance channels independent of the administrative system, or internal and external project-based multiparty grievance committees can be established to deal with such incidents in a collaborative manner.

- > Establishment anonymous channels, including: an anonymous telephone hotline, an anonymous suggestion boxes
- > Establish predictable and clear complaint resolution procedures, including:
 - > Grade foreseeable complaints according to the degree of influence
 - > Establish a diverse complaints handling team for resolving complaints of different levels⁶⁰
 - > Maintain cooperation with local social organizations to ensure that the complaints mechanism does not touch on the taboos of the local culture
- > Appoint community liaison officers to visit surrounding communities regularly to collect feedback
- > Set and publish time limits for handling complaints at different levels
 - > Define the authority of the community engagement team staff when dealing with complaints at different levels
 - Promoting participatory stakeholder monitoring⁶¹

● **When a complaint occurs:**

- > Assign a staff member or a team to register the complaint, conduct investigations with relevant staff and external stakeholders, and formulate an action plan.
- > Choose the most appropriate way to respond (refer to [Tool 6.1-1]).
 - > Review the work process, including whether the complaint was received, the investigation process and timeline, the solution, etc.
- > Monitor the outcomes of complaint resolution.
- > Regularly review the complaints and the grievance system, monitor system effectiveness, and use relevant outcomes to inform the enterprise's management system.
- > Conduct community surveys on a regular basis to assess how the residents perceive the reliability of the grievance mechanism and outcomes and system accessibility.

⁶⁰ For example, there are complaint handlers specifically geared towards issues such as sexual harassment.

⁶¹ IFC. (2007). Stakeholder Engagement: A Good Practice Handbook for Companies Doing Business in Emerging Markets.

Notes⁶²

- ✓ Strictly enforce commitments made to resolve the complaints.
- ✓ Keep the resolution procedures and outcomes transparent.
- ✓ Clearly define the authority of community liaison officers, especially regarding complaints that are time sensitive and require immediate on-spot handling.
- ✓ Making proper written records and feedback is key to effective complaint management regardless of the type or handling method (refer to [Tool 6.1-2]).
- ✓ The complaint channels should be easily accessible to community residents, such as anonymous suggestion boxes set up in public areas of the community. Let users know from the outset that when filing a complaint, no payment is required and no retaliation will occur.
- ✓ Clearly define the authority of all levels of community engagement staff for complaint resolution, especially regarding time-sensitive complaints, and give community engagement liaison officers permission so that the problem can be resolved as soon as possible.
- ✓ In the event of a major complaint, a multi-stakeholder monitoring team (which may include representatives from the enterprise and from affected communities, NGOs, the academia, and/or city governments) may be formed.⁶³ Or engage a neutral third party recognised by both parties to assist in the mediation.
- ✓ Not all matters are suitable to be handled with the enterprise's internal grievance mechanism. Clarify the boundaries and scope of complaint handling, what types of complaints should be handed over or referred to formal judicial departments or quasi-judicial dispute resolution bodies, and at what level. When there is no inhouse capacity, seeking specialist advice such as local or international NGOs on the correct way to handle certain compaints could be the other option.
- ✗ **Avoid** preventing complaints from being filed with other organizations or through judicial administrative channels.

⁶² Stakeholder Linkages Interactions: A Guidebook for Businesses Doing Business in Emerging Markets, International Finance Corporation, World Bank Group, 2007

⁶³ Environmental and Social Management Systems Toolkit, International Finance Corporation, World Bank Group, 2015

[Tool 6.1-1] Ways to Respond to Communities

Upon receiving complaints from the community, companies should consider not only its internal grievance process but also the way they respond. The response can represent how much importance the enterprise attaches to the complaint, and its response time will determine to a great deal how well the other party accepts it. Some complaints are better resolved as soon as possible so as to minimise the losses. In such cases, timeliness is the priority. The following form can be referred to on a case-by-case basis when selecting a way of response.

Table 21: Ways to Respond to Communities

Response channels	Degree of importance the enterprise attaches to the complaint as reflected in the channel	Timeliness	Target audience
Company bulletin boards	Medium	Medium	Literate groups in the community
Distribute brochures at community centers	Fairly high	Medium	Literate groups in the community
Website	Fairly high	Fairly high	Stakeholders with easy access to the Internet
Community broadcasting	Medium	High	Groups in the community that can receive broadcasts
Local newspapers	Fairly high	Medium	Literate groups in the community
Public meetings at the town hall or community center	Fairly high	Medium	Impacted stakeholders
Meetings with representatives of affected stakeholders	Medium	Medium	Impacted stakeholders
Letters to affected stakeholder representatives and complainants	Medium	High	Literate complainants
Email replies	Low	High	Complainants with easy access to the Internet
Return calls	Low	High	Complainants
Home visits	Fairly high	High	Complainants
CSR reports	High	Low	Literate stakeholders

[Tool6.1-2] Complaint Record Form⁶⁴

Recording immediately upon receiving a complaint not only helps analyse the cause of the complaint and the expectations of the complainant and monitor the handling of the complaint but also provides valuable practical experience for subsequent community engagement work. In particular, learning about the causes of complaints and the resolution process helps internal staff better understand local customs, behaviours, and customary ways of communication. The following form is available for reference when making a complaint record, and can be modified and improved in line with the characteristics of the project and the surrounding communities.

Table 22: Complaint Record Form

1. Reference No.	
2. Details of complaint	
2.1 When did it happen?	
2.2 Where did it happen?	
2.3 How did it happen? Who are involved?	
2.4 Complainant's statement and expectations	
2.5 Record date of complaint	
2.6 Location/method of complaint submission	
3. Complainant profile	
3.1 Gender	
3.2 Age	
4. Complainant contact information	
4.1 Anonymous	<input type="checkbox"/> Yes <input type="checkbox"/> No
4.2 Telephone	
4.3 Email	
4.4 Address	

⁶⁵ Environmental and Social Management Systems Toolkit, International Finance Corporation, World Bank Group, 2015

5. Was the complaint received (<input type="checkbox"/> Yes <input type="checkbox"/> No)?	
5.1 No	
5.1.1 Reason	
5.1.2 Complainant has been notified	<input type="checkbox"/> Yes <input type="checkbox"/> No
5.1.3 Way of notification	
5.2 Yes	
5.2.1 Category of complaint	Noise and environmental pollution Roads and traffic Security measures Natural resource acquisition Benefits from the project fail to meet expectations Personal disputes/conflicts Personal revenge Sexual harassment, sexual assault
5.2.2 Verify supplementary materials for the complaint	
5.2.3 Solution	
5.2.4 Complainant has been notified	<input type="checkbox"/> Yes <input type="checkbox"/> No
5.2.5 Was the complainant satisfied?	
5.2.6 Photos and documents as evidence of case closure	
5.2.7 Resources invested in handling the complaint	
5.2.8 Closing date	
5.2.9 Number of days from receiving the complaint to closing the case	
6. Continued monitoring after the case is closed (<input type="checkbox"/> Yes <input type="checkbox"/> No)	
6.1 Method and frequency of monitoring	
7. Preventive measures against similar problems	
7.1 Recommended preventive measures	

[Example 6.1]**Baku–Tbilisi–Ceyhan (BTC) Pipeline Project Grievance Mechanism⁶⁵**

During the construction program BTC had to continually augment their CLO resources in some locations to manage their response to the number of complaints received by project-affected communities in a timely manner. A general lesson learned is that despite extensive community consultation carried out, significant complaints may still arise. Sponsors and contractors need to be prepared for this possibility and be able to source additional skilled resources.

An effective and well-functioning grievance mechanism is an essential part of managing community relations. For BTC, the sponsor developed a separate grievance process for each country to manage complaints arising from the project. The objectives were to: (i) provide affected people with straightforward and accessible avenues for making a complaint or resolving any dispute that may arise during the course of the project; (ii) ensure that appropriate and mutually acceptable corrective actions were identified and implemented; and (iii) verify that complainants were satisfied with the outcomes of corrective actions. In addition, a parallel grievance process was developed by the BTC construction contractors.

Some key elements of BTC's grievance mechanism included:

- > Community Liaison Officers (CLOs) based in the field and responsible for receiving complaints and coordinating responses.
- > A "Complaints Log" recording individual complaints, corrective actions taken and responses to complainants.
- > A two-week response time to all complaints (even if just a summary of proposed actions that will be taken to resolve the complaint.)
- > All complaints responded to in writing (or verbally where circumstances warrant.)
- > Recourse to pre-judicial and judicial process under host country law in cases where a satisfactory response to the complaint cannot be negotiated.

Weekly and monthly reports prepared by the lead CLO detailing the number and status of complaints and any outstanding issues sent to the BTC Community Relationship Manager in each country.



⁶⁵ 《Stakeholder Linkages Interactions: A Guidebook for Businesses Doing Business in Emerging Markets, International Finance Corporation, World Bank Group, 2007

6.2 Community Engagement Performance Evaluation Indicators \ and Tools

Rationale

Businesses should consider engagement with the community as a long-term job instead of a temporary effort targeting individual events. It is necessary to monitor and evaluate the effectiveness of each engagement activity and draw lessons to continuously improve the approach in the long-term engagement process. Moreover, monitoring the input and

output of community engagement activities can assist the Community Engagement Department to explain to other departments and external partners the positive impacts of the engagement efforts on the project itself, the surrounding communities, and the corporate image in a more straightforward way, thus garnering more support.

Figure 7: Community Involvement Planning, Implementation, and Evaluation Cycle⁶⁶



⁶⁶ Source: Boston College Center for Corporate Citizenship.

Action Points^{68 69}

● Monitoring

- > Visual observation: Physical walk-throughs at the facility and surrounding land; body language and interactions between community residents and project staff
- > Interviews: What is the residents' opinion of the enterprise? Do they feel comfortable filing complaints?
- > Document review: Looking through documents and records, complaint logs, etc.

● Evaluation

- > Set up an input and output evaluation form for community engagement activities (refer to [Tool 6.2-1])
- > Identify the main objectives of conducting community engagement activities
- > Develop monitoring and review indicators for community engagement activities

To effectively manage, monitor, and review community engagement activities, enterprises should develop appropriate evaluation indicators. Approaching the indicators from the three dimensions of input, output, and outcome is a more effective way of measuring the effectiveness of community engagement efforts.

> Input:

the time and financial resources an enterprise spends on community engagement (money invested in engagement activities, human resources contributed to communication meetings, etc.)

> Output

the direct results of community engagement activities (such as the number of vaccinated children or people involved in vocational training) based on quantitative indicators; mainly quantitative measurement

> Outcome

the long-term changes brought about by one or a series of community engagement activities (changes in the community's living standards, attitude change toward the enterprise, etc.); mainly qualitative measurement

- > Identify persons in charge of review form recording and maintenance to ensure timely documentation of relevant engagement activities
- > Review the records on a regular basis to assess the gaps between the input and output and the goals and outcomes of engagement activities.

⁶⁸ Environmental and Social Management System Implementation Manual, International Finance Corporation, World Bank Group, 2015

⁶⁹ Lakin N, Scheubel V. (2017). Corporate community involvement: The definitive guide to maximizing your business' societal engagement [M]. Routledge.

Notes

- ✓ Identify the long-term goal before evaluating a community engagement activity (for example, to reduce the number of complaints from the community or to reduce negative media coverage).
- ✓ Set input and output indicators for a specific activity to improve the effectiveness of monitoring, such as the input and output of a community communication meeting.
- ✓ The shift in the community's attitude towards the enterprise is also an important outcome indicator that can be measured through regular community interviews.
- ✗ **Avoid** monitoring only the number of community engagement activities rather than the details of specific activities.

[Tool 6.2-1] Methods and Reference Indicators for Evaluating Community Engagement Activities⁷⁰

Assessment Methodology: SROI (Social Return on Investment)

The SROI tool is an assessment framework. It allows us to measure and account for value in a broader conceptual sense, quantifying the social value of an organization or an institution's work by measuring social, environmental and economic outcomes and presenting the results in monetary terms.

SROI monetises outcomes to measure social value. Monetization is the process of assigning a monetary value to something that does not have a market price. In order to measure the social value created by a project, we need to find equivalents for the outcomes generated by the project, outcome equivalents are measurable and calculable things that are used as an expression of the value of the outcomes. Using outcome equivalents to price outcomes and synthesising them, the social value created by the project can be estimated.

The use of the SROI tool helps companies to clearly anticipate the potential environmental and social returns of sustainability projects, creates a communication platform within the company that combines sustainability and financial investment, facilitates the establishment of communication channels between different departments based on sustainability, and provides decision makers with a basic tool to objectively measure the sustainability of projects, which is expected to become normal practice⁷¹.

Reference indicators

When evaluating community engagement activities, companies should select appropriate indicators along three dimensions: inputs, outputs and outcomes. The main difference between output and outcome indicators is that output indicators are used to measure the immediate impact of a single event or a few events, while outcome indicators are used to measure the long-term impact of a series of community engagement activities. The selection of indicators should be based on the characteristics of the activity being undertaken, with appropriate reference to the examples given in the table below.

⁷⁰ The Center for Corporate Citizenship at Boston College. Determining the Value of Corporate Community Involvement.

⁷¹ Source: <https://mp.weixin.qq.com/s/6vK6f5TZ6b6Gq3dx8UI4cQ>

Table 23: List of community engagement assessment indicators

Reference indicators that can be used to assess the input of community engagement activities		
Cash	Time	In-kind
<ul style="list-style-type: none"> > Donations to local communities > Scholarships and relief fund > Investment in community infrastructure construction > Costs of supporting employee involvement in volunteer services > Salaries of full-time community engagement staff > Costs of hiring external community engagement experts and teams > Costs of supporting relevant research at academic and research institutes 	<ul style="list-style-type: none"> > Employees' community volunteer time > Working hours of full-time community engagement staff > Employee participation in community infrastructure construction 	<ul style="list-style-type: none"> > In-kind donations to local communities > Construction facilities to aid community infrastructure building > Hardware support for conducting public meetings
Reference indicators that can be used to assess the output of community engagement activities		
<ul style="list-style-type: none"> > Number of participants in community communication meetings > Number of community interviews conducted at a certain stage > Number of training sessions for community engagement team members, number of trainees > Number of media reports on a community engagement activity > Number/% of employees who have volunteered 		
Reference indicators that can be used to assess the outcomes of community engagement activities		
<ul style="list-style-type: none"> > Comparison of support rate between projects that have carried out community engagement activities and those that have not > Profits from early project completion because of community support > Ease of approval by regulatory authorities > Number of community protests or interventions against the project, number of intervenors, and negative comments > Level of community involvement (information disclosure/consultation/community participation/cooperation/empowerment) > Community satisfaction and feedback > Benchmarking against industry peers > Number of media reports and the visibility of CSR projects (refer to [Tool 6.2-3] Example: Media Report Record Form) > Awards and recognition > Employee participation in community building activities (volunteer time, project contribution) > Enthusiasm of community residents in applying to the company's job openings 		

[Tool 6.2-2] Example of Community Engagement Activity Input and Output Evaluation Form⁷²

After identifying appropriate evaluation indicators, record the expectations and actual implementation of the activities in a timely manner to facilitate more effective monitoring. An evaluation form should be set up that is tailored to the specific needs to clearly document the input, output, experience, and lessons learned to inform a continuously improved work approach in the long process of community engagement. The form below can be used as a reference.

Table 24: Example: Community Engagement Input and Output Evaluation Form

Goal 1: Improve the company's community communication skills				
Activity 1. Conduct community communication skills training courses				
Input	Expected output	Actual output	Gaps in between	Recommended actions
> Trainer fee > Training time > Daily allowance for participating employees	> Expected number of employees to complete the training	> Actual number of employees completing the training	> Number of employees not completing the training	> Guarantee attendance in subsequent training programs
Activity 2. Activity profile				
Input	Expected output	Actual output	Gaps in between	Recommended actions
Activity 3. Activity profile				
Input	Expected output	Actual output	Gaps in between	Recommended actions
Outcomes	1.			
	2.			
	3.			

⁷² Lakin N, Scheubel V. (2017). Corporate community involvement: The definitive guide to maximizing your business' societal engagement[M]. Routledge.

[Tool 6.2-3] Media Report Record Form Example⁷³

The number of media reports and commentaries and the visibility of the enterprise's CSR programs can also be considered as outcome indicators for evaluation. Documenting media reports can be an effective way to understand the effect of project reputation and corporate brand image communication. In the event of negative reports, companies should promptly review their own behaviours and make a timely response.

Table 25: Media Report Record Form

Report title			
Media name		Publication date	
Scope of communication (local, national, or international)		Tone of coverage (positive, neutral, or negative)	
Abstract			
Subsequent effect			
Did it trigger readers' actions (such as protests)?			

⁷³ Lakin N, Scheubel V. (2017). Corporate community involvement: The definitive guide to maximizing your business' societal engagement[M]. Routledge.

7. Emergency Plans: Resolving Emergency Crises

7.1 Making an Emergency Response Plan

Rationale

Most of the potential crises related to the community can be identified in advance using tools such as "Community Background Research", "Stakeholder Identification", and "Key Issue Identification" introduced in the previous sections, and countermeasures can also be taken to reduce the risk level. However, it is impossible to avoid emergencies completely. Companies can develop a detailed emergency response plan with focus areas identified based on likelihood and hazard

assessments to minimise the likely damage to the company and the surrounding communities. Consider both emergencies that are caused by natural disasters or community conflicts, etc. and that affect the community when developing emergency response plans.

Sometimes a sudden crisis can be triggered by a minor or remotely relevant event, in which cases trust built through regular community engagement is of even greater importance.

Emergencies can be divided into three main categories as follows.

- > Accidents caused by natural disasters
- > Accidents caused by human factors
- > Riots

Action Points

The emergency response plan should include the following elements and include the surrounding community⁷⁴.

- > Risk assessment for an emergency
- > Procedures to respond to the identified emergency
- > Procedures to shut down equipment
- > Procedures to contain and limit pollution

⁷⁴ IFC. (2014). Environmental and Social Management System Implementation Handbook – CONSTRUCTION.

- > Procedures for decontamination
- > Procedures for rescue and evacuation, including a designated meeting place outside the facility
- > Procedures for emergency information disclosure and notification, including but not limited to channels, objects, and staff in charge
- > PR procedures
- > Location of alarms and schedule of maintenance
- > List and location of equipment and facilities for responding to the emergency (fire-fighting equipment, spill response equipment, personal protection equipment for the emergency response teams, first-aid kits and stations)
- > Identify staff responsible for the emergency
- > Protocols for the use of the emergency equipment and facilities
- > Schedule for periodic inspection, testing, and maintenance of emergency equipment
- > Clear identification of evacuation routes and meeting points
- > Schedule of training
- > Procedures for emergency drills
- > Emergency contacts and communication protocols, including with affected communities when necessary, and procedures for interaction with the government authorities
- > Procedures for periodic review and update of emergency response plans

Notes

In addition to emergencies that may occur to the local community as a result of project accidents, companies can also identify those that may be caused by other risk factors such as bad weather based on an analysis of local natural, social, and environmental conditions and develop the emergency response plan. Leveraging advantageous resources to provide timely assistance to local communities in the event of an emergency helps improve an enterprise's brand image and establish a close and friendly relationship with the community.

[Tool 7.1-1] Press Release for Crisis Management Template

In the event of an emergency, it is necessary to promptly post information to surrounding communities to avoid unnecessary panic or loss due to information delay. Moreover, the notifications should be presented in a variety of time-sensitive formats besides written texts.

At x o'clock on x day of x month 20xx, an xxx accident occurred at our xxxx project located in the xx area. After the accident, our company quickly started the emergency plan and took effective remedial measures. At present, the accident situation is basically stable, (whether) it caused casualties. (Whether) there is an impact on the schedule life of the local community residents, specific impacts include: 1. xxx; 2. xxxx. The disposal measures currently taken include: 1. xxx; 2. xx, it is expected that xxx can be restored to xxx normal at x time on x day, 20xx.

The project is located in xxx, distance from xx community xx km. after the accident, our company first time to report the accident to xxx department. And the organization xxxxxx several parties set up the accident investigation team rushed to the scene to investigate, convened a special meeting, set up the accident scene disposal group, the strict implementation of engineering and construction emergency plan, do all the emergency disposal work.

After a preliminary investigation, the accident was caused by xxxxxx. At the time of the accident, xxx operations were being carried out at the site. To prevent secondary accidents from occurring, all personnel and machinery within the accident site have been evacuated, warning signs have been set up at the accident site and the construction road into the site has been blocked. To ensure personal safety, all personnel are advised not to enter the accident site without permission.

We will continue to follow up and communicate in a timely and necessary manner on the subsequent progress of the accident.

xxxx company

xx day of xx year 20xx

[Example 7.1-1]**The Project Department of Nairobi-Maraba SGR Repairs Water-damaged Roads⁷⁵**

On the evening of March 13, 2018, B3 Road connecting Nairobi, the Capital of Kenya, and Narok suffered massive landslide near Mai Mahiu Town due to continuous heavy rain. The main road was completely damaged by the flood, with over 10 meters of deep trenches formed on both sides. B3 Road is the only route connecting Nairobi and Masai Mara National Reserve. Due to the landslide, B3 Road was jam-packed with several miles of vehicles.

Upon hearing the engineering difficulties facing the community, Nairobi-Maraba SGR Project Department attached great importance and organized the sub-command post and the fourth manager department nearby to the site on the morning of March 14 to investigate the actual conditions. Then the project department contacted Kenya National Highway Authority and expressed its intention to carry out first-aid repair. Kenya National Highway Authority issued a letter of authorization signed by its Director-General to the project department without delay, and the General Manager Department immediately issued the order for repair.

At 8 o'clock on March 14, the site repair team started the work and proposed the preliminary repair scheme. Considering that drainage facilities on both sides were completely damaged and there was still a great amount of water in the trenches, the repair team decided to fill the bottom by boulders to allow water to flow through the cracks, and recovered the road surface with fillers, so as to restore the traffic within the shortest time and ease the traffic pressure.

The General Manager department dispatched a team comprising over 40 sets of construction machinery for emergency repair, and over 60 personnel from the sub-command post and the fourth project department of Nairobi-Maraba SGR participated in the work, successfully restoring the traffic at 19 o'clock on March 14 after over ten hours of tight repair.

The first-aid repair generated a huge response among local residents and communities, building CRBC's good image in making contributions to public affairs and fulfilling its social responsibilities in East Africa.



⁷⁵ Source: <http://www.crbc.com/site/crbc/274/info/2018/46881967.html>

[Example 7.1-2]**PowerChina Nam Ou River Hydropower Project Successfully Handles Biggest Flood in 20 years⁷⁶**

During June 2018, the PowerChina Nam Ou River Hydropower Project suffered persistent heavy rainfall caused by the southwest warm-wet airflow and shear lines and the threat of the biggest flood in 20 years. Thanks to the early planning and proper response by the project department, the entire region got through the flood season safe and sound.

To cope with accidents that might be caused by natural disasters, the entire basin of the Nam Ou River Hydropower Project adhered to the principle of "Water dispatching outranks power dispatching; construction outranks water dispatching; dam safety is bottom line", the goal of "Personnel and dam safety is top priority; power generation is secondary", and the mindset of "Prevent, control, and fight against floods." The Flood Prevention and Management Scheme 2018 was completed in March; the 2018 Nam Ou River Joint Flood Prevention and Management Kick-off Meeting was convened in April; a whole-region joint drill was conducted in May, and meanwhile, the scheme was modified and improved based on the comments of PowerChina Resources Ltd. and Grade VII breach flood analysis report to ensure full preparation for the flood season. In early June, the water level in Grade V and VI power plant reservoirs was reduced to the dead water level in advance, adding 380 million m³ more capacity.

Before the flood approached, the Nam Ou River flood prevention and management steering group and cascade power plants actively engaged the provincial, town, and county governments and villages in communication, and joined forces with staff from the Phongsali and Luang Prabang provincial governments and local county government in making a concerted effort to ensure that the entire region was well prepared for flood control and disaster relief. All the cascade power plants and departments made clear delegation of responsibilities, made sure safety alerts were in place, and kept the riverside villages updated on the latest status. During the flood, staff was sent on 24-hour patrols in the villages, evacuating riverside villagers and livestock and dock vessels and helping transfer the production and living items in flood-affected areas to safeguard local lives and property.



⁷⁶ Source: <http://pr.powerchina.cn/g163/s996/t7138.aspx>

[Example 7.1-2]

PowerChina Nam Ou River Hydropower Project Successfully Handles Biggest Flood in 20 years⁷⁶

Preliminary estimates show that the flood caused different degrees of losses at the cascade power plants. Two automobiles parked at low-lying riverbed docks were damaged. Water got into some houses along the river. Large portions of roads on the left bank of the Nam Ou River Grade VI power plant got swept away, causing blockages. Unused concrete at the spillway aprons was destroyed by the flood. At present, the company has arranged for several work groups to carry out relief and restoration in affected areas and prepare materials for claims settlement based on the degree of damage in an effort to minimise the losses and restore the cascade power plants back to normal operations.



7.2 Conflict and Crisis Management

Rationale

Conflicts may exist in any relationship, and the relationship between companies and the community is no exception. It should be recognised that conflicts are a normal part of community relations, and it is unrealistic to try to avoid conflicts at all costs. Conflict management should be considered as part of establishing and maintaining good relations. Companies are advised to respond quickly before and when conflicts occur. When resolved early, conflicts will not be a major barrier between companies and the community. While not

all conflicts can be resolved, proper management keeps projects moving forward.

Special care must be taken to implement security measures on occasions where interpersonal conflicts arise during communication to guarantee the safety of both the company staff and community residents and avoid injuries. Meanwhile, information about the conflicts should be properly published to avoid otherwise swirling rumours.

Action Points

● Before a conflict occurs

- > Record any conflicts or potential conflicts found during daily communication and community relationship building activities.
- > Before a major conflict occurs, it is best for all parties to reach an agreement on conflict resolution procedures.

● When a conflict occurs

- > Strengthen security measures
 - > If security staff are hired through a third party, look for inherent conflicts between them and the local residents in terms of ethnicity, religion, and political standings
 - > Provide necessary training for security staff to avoid conflict escalation
- > Identify and sort out conflicts by talking to other stakeholders and try to straighten out the following information
 - > The context in which the conflict occurs (whether it originated from or related to other conflicts)
 - > Identify all groups involved in the conflict
 - > Identify the causes of the conflict
 - > Understand the needs that are expected to be satisfied by groups involved in the conflict

> Internal communication

- > Report conflict-related information to the community engagement steering group, clarify the enterprise's stance, and determine issues about which negotiations and concessions can and cannot be made

● Select means of communication for handling the conflict

- > Negotiation and settlement: groups involved in the conflict can be convened at a multi-stakeholder symposium for negotiations
- > When an agreement cannot be reached, seek a third-party individual/agency to be the mediator
 - > Appoint a neutral third party that is recognized by both the enterprise and the community as the mediator
 - > Make sure that all parties understand the rules and procedures of mediation
- > If none of the above methods works, local official agencies (such as courts, governments, or the police) can be resorted to for help (only applicable to areas with sound legal systems).

● Information Release

- > Assess the scope of impact of community conflicts and engage with stakeholders within the scope (including but not limited to the media, NGOs) to understand their views on the conflicts
- > Proactively introduce facts to the media to avoid flying rumors resulting from delays in releasing correct information
- > Monitor media reports on the conflicts; any exaggeration or distortion should be clarified in time

Notes⁷⁷

- ✓ It is advisable for companies and communities to reach a consensus on conflict resolution procedures before a major conflict occurs, which includes mediators/agencies, mediation processes, operational procedures, etc., and ensure that community residents are aware of such information.
- ✓ Some conflicts may result from leftover issues from owners of previous projects carried out locally, so try to reach out to all stakeholders to fully understand the background information before attempting to address them directly.
- ✓ The most difficult part of many mediation processes is to get people to agree to participate. The only way to solve this problem is to prove that negotiation and mediation have the potential to produce better results than other methods.
- ✓ When the negotiation is deadlocked, that is, when both sides are unable to obtain more benefits and unwilling to give up any interests, it is considered to be the best time for mediation.

⁷⁷ World Bank Group. (2006). Community development toolkit.

- ✓ When community residents think they are in a disadvantageous position in the mediation process, resistance occurs. Therefore, it is necessary to find a neutral mediator that both parties accept to make them see that their interests and needs will be given fair consideration.
- ✓ The key to crisis management is to take a sensible approach in a short period of time.
- ✓ Employees must be consistent; otherwise, the public will not believe it.
- ✓ Seek help when necessary.
- ✓ Open and sincere communication is a must, especially with the media.
- ✓ A crisis management committee involving the highest leadership should be established.
- ✓ Company leaders, especially project initiators, must appear as soon as possible at the scene of the crisis and give sincere condolences to the families of the victims.
- ✓ An enterprise may be seen as the "victim or bad guy" by the public, usually depending on its social responsibility performance during the crisis and how it treats the media. The longer the crisis lasts, the more likely the enterprise will be seen as a "bad guy."
- ✓ When a crisis occurs, it is not enough to just "comply". It is necessary to attach greater importance to social responsibility.
- ✗ In the event of a crisis, **avoid** completely rejecting any plans to partner with the media or third-party agencies and attempting to block the news.
- ✗ **Avoid** rushed handling of early warnings.
- ✗ **Avoid** finger pointing with partners or contractors, which the public will take as an action of buck-passing and thus lose trust in the enterprise.



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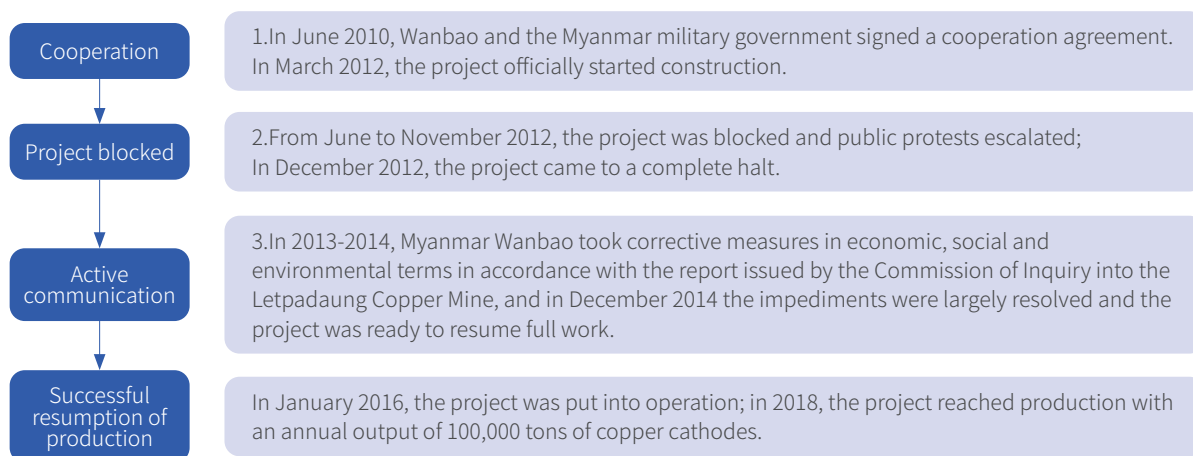
Appendix 1: Role Play - The Case of the Letpadaung Copper Project, Manpower Minerals Ltd

>>> Case Background

The Letpadaung Copper Mine project is located in Monywa District, Sagaing Division, Northwest Myanmar, and is one of the iconic demonstration projects of the "The Belt and Road Initiative" and one of the largest copper hydrometallurgy projects in Asia. The copper mine was originally operated by Ivanhoe Mines of Canada but ceased operations in 2008 due to ongoing Western sanctions against Myanmar. And 2010 saw the formal signing of a cooperation agreement between China's Wanbao Mining Ltd. (Wanbao) and the Myanmar government for a production cycle of approximately 30 years.

The Union of Economic Holdings Ltd. (UMEHL), a company controlled by the Myanmar military, and Wanbao jointly operate the Letpadaung Copper Mine Project. The total investment is US\$1.065 billion (approximately RMB 7 billion), with Wanbao providing all the funding and being responsible for the production and operation of the project; UMEHL is responsible for obtaining permits from the Myanmar government and coordinating land acquisition and relocation.

The project spans a long period of time and goes through four main phases as follows.



The diverse demands of different stakeholders made the process of obtaining community consent for the project extremely difficult, and made the project team worked very hard to achieve this. But, also, the case is valuable for its consideration of both inclusive development and environmental impact.

In terms of inclusive development, the project team has tried to consider the needs of different

stakeholders. In addition to increasing the overall compensation for land loss and community support at a later stage, the project team has upgraded their approaches of community engagement. From the initial assembly to the later one-on-one communication among households, the team access to the detailed situation of each family's lost land and the villagers' real demands, truly promote

mutual understanding between Chinese staff and local villagers. Financially, the project has developed not only cash support, but also long-term plans for sustainable livelihoods. They helped displaced villagers to set up teams for construction, transport, and carpentry, and they develop livestock breeding, helping the local to change their farming-based lifestyles and acquire new means of livelihood. Another example for the project's long-term plans is the form egg farms. It provides them with employment opportunities while allowing them to enjoy different percentages of share dividends in the chicken farms according to the size of the land lost. It is worth noticing that Wanbao has introduced a "Jobless Grant Scheme", providing a 30-year grant package: \$70 (approximately RMB 450) per month for land loss of up to 10 acres, \$120 (approximately RMB 800) per month for land loss of 10-20 acres and \$160 (approximately RMB 1,000) per month for land loss of more than 20 acres. 1000) per month. Over 80% of the villagers accepted the scheme, laying the foundation for the project to restart. This is the first social security system in Myanmar's history to be created by a company taking the lead. As of June 2020, the proportion of villagers who have accepted

the non-working benefit scheme has exceeded 90%.

In terms of environmental management, the project team has optimized its ESG management strategy based on the findings from the investigation committee. They commissioned Knight Piésold (KP) to carry out a new ESIA⁷⁸ and construction-phase environmental and social management plan, and to manage environmental impacts in accordance with international standards during construction and operation to create an environmentally friendly international mining company. In addition, under the plan, US\$2 million (approximately RMB 13.5 million) will be contributed annually to the fund account as an environmental management guarantee fund for ongoing reclamation, re-vegetation and pit closure once the project enters operation.

The consideration of both 'inclusive development' and 'environmental impact' in community engagement has enabled the Letpadaung Copper Project to move forward with less friction at the community level and with the support of the community and other stakeholders, the project has also received support from the community and other stakeholders.

>>> Role play case practice

Pre-school preparation

Please collect extensive information on news, reports and studies about Wanbao before the study. You should select a suitable venue for the discussion and a facilitator who is familiar with the sandbox exercise¹ rules and procedures. Participants can be

divided into five groups, representing the corporate side, the government side (which can play the role of the elected government and the military government), the villagers (which can play the role of the villagers with high willingness to cooperate and

⁷⁸ When Manpower took over the Letpadaung copper project, it did not promptly re-conduct a third-party Environmental and Social Impact Assessment (ESIA) in accordance with international standards, but instead used the ESIA report completed by Ivanhoe Mines of Canada in the 1990s. This report not only did not meet current international standards, but was also severely out of step with the reality of Myanmar and was not accepted by local communities and NGOs.

the villagers with low willingness to cooperate), the monk community, and the third party organizations (which can play the role of NGOs or media organizations, in that order). You are required to

reach an agreement on the following four topics, and the corporate side will be responsible for making a summary on the unanimous opinions.

- 1.The need for a compensation rate due to relocation needs for site construction.
- 2.The need to relocate a local temple due to land acquisition requirements for site construction.
- 3.The need to design livelihood development projects due to local livelihood development needs.
- 4.Due to the equitable development needs of the site construction, the local community needs to be reassured of their anxiety and unease etc.

Suggested process⁷⁹

- 1 Participants read the background information distributed in paper form to warm up for entering the role play (ten minutes).
- 2 Members select the roles they will play and group them (five minutes).
- 3 Group members apply the communication skills, processes and features in the manual to discuss response options with group members and cross-group members, according to their grouping roles and discussion topics, and communicate by topic (twenty-five minutes).
- 4 The business group players choose representatives to speak and present their positions and options for response (five minutes).
- 5 Following the presentation by the representative of the business group, representatives of other groups take turns to comment on the response options (ten minutes).
- 6 The facilitator summarizes the claims of the parties (five minutes).
- 7 Repeat step 2 with participants rotating roles and joining a new role group (five minutes).
- 8 Repeat steps 3, 4, 5, 6 and 7 until all four groups of thematic workshops have been completed.
- 9 The facilitator gives a final summary of the whole exercise and shares the learning experience with the members.

⁷⁹ Companies can extend practicing time to 2-3 hours based on their needs.

Appendix 2: Sustainable Development Goals (SDGs)

I. What are the Sustainable Development Goals

In September 2015, 193 countries adopted the 2030 Agenda for Sustainable Development at the High-Level Political Forum on Sustainable Development Under the Auspices of the General Assembly. The Agenda announced 17 Sustainable Development Goals (SDGs) and 169 targets associated with them, seeking to consolidate the development of the Millennium Development Goals (MDGs) and to complete the unfinished business of the MDGs. The new goals come into effect in 2016 and serve as a guide for global policy-making from 2015 to 2030. 17 SDGs take into account the three dimensions of sustainable development: economic, social and environmental.

The globe is a third of the way to the Sustainable Development Goals (SDGs). Still, according to the UN's Sustainable Development Goals 2020 Report, the picture is not promising, which states that the world is not on pace to reach the global objectives by 2030. Before the emergence of Covid-19, development was uneven, with most locations requiring more care. The epidemic abruptly halted the implementation of several of the SDGs, reversing decades of progress in some cases. In terms of the environment, the United Nations Environment Programme's Assessment of Progress on Environment and Sustainable Development Goals assesses global progress on environmental SDGs, analyzing trade-offs and synergies between different goal indicators. According to the assessment, our understanding of ecological SDGs is still lagging, and a lack of data limits our understanding of the full range of aims.

China is firmly committed to the 2030 Agenda for Sustainable Development and is actively pushing its local implementation. The concurrently enacted 13th Five-Year Plan and China's National Plan on Implementation of the 2030 Agenda for Sustainable Development clearly outline China's principles for sustainable development and provide an introduction to relevant experience. When developing the government's work plans, functional departments included appropriate plans, programs, views, and legislative requirements while keeping the particular aims, tasks, and targets of sustainable development in mind. Taiyuan, in Shanxi Province, has been a demonstration zone for agenda innovation, offering answers to challenges like water resource utilization and heavy metal contamination. Externally, China has encouraged the G20 to create the G20 Action Plan to implement the 2030 Agenda for Sustainable Development. It has integrated the Belt and Road Initiative into its Country Programmes. This creates new opportunities for economic and social growth. China released the Big Data for the Planet Report for the Sustainable Development Goals(2020) on the 75th anniversary of the United Nations and the 5th anniversary of the adoption of the 2030 Agenda, providing Chinese experience and solutions for science and technology innovation in sustainable development.

II. Why consider the Sustainable Development Goals

While governments play a significant role in the 2030 Agenda, the cooperation and participation of other stakeholders are also required. According to the agenda document, it is supposed to "bring together governments, the private sector, civil society, the UN system, and others to mobilize all available resources, help implement all the goals and targets," as well as encouraging "all businesses to harness their creativity and innovation to address the sustainable development challenges." "All firms must utilize their creativity and ingenuity to tackle the challenges of sustainable development."

In 2020, the United Nations Development Programme (UNDP), in collaboration with partners such as PricewaterhouseCoopers and the China Chamber of International Commerce (ICC), conducted a baseline study of Chinese companies' SDG practices and released the Private Sector Awareness of the Sustainable Development Goals⁸⁰, which used online questionnaires and case interviews, analyzing the SDG practices of a total of 89 companies. The results show that 89% of Chinese companies are aware of the SDGs, 69% have publicly mentioned the SDGs, but 42% do not know how to assess them, and 38% of companies that are aware of the SDGs have not publicly disclosed the information. The report counted the top five goals that Chinese companies are most concerned about: good health and well-being (Goal 3), quality education (Goal 4), responsible consumption and production (Goal 12), decent work and economic growth (Goal 8) and industry, innovation and infrastructure (Goal 9). In terms of taking action, the

survey shows that Chinese companies have already taken the initiative to try to implement the SDGs, with 70.8% of companies indicating that they have already taken relevant practical actions, of which 10% have already defined a concrete action path for the implementation of the SDGs; however, more than 30 per cent of companies feel that the actions they are currently taking are not targeted and are at the planning stage and need to be more targeted in the future. The biggest driver for companies to move forward with the SDGs is increased company brand value and competitive advantage. In addition, CSR is becoming more specialized as we move towards the full implementation of sustainable development strategies, and SDGs are expected to be more closely aligned with corporate strategy and business development in the future.

KPMG's Survey of Sustainability Reporting,⁸¹ which assessed the reporting of 5,200 companies in 52 countries and territories, found that 80% of the world's largest companies now report on sustainability, with North America having the highest reporting rate at around 90%. Meanwhile, around 2/3 of companies globally (65%) have set targets to reduce carbon emissions and more than 2/3 (69%) link their business activities to the UN Sustainable Development Goals (SDGs) in their corporate reports, but few companies (14%) disclose how they contribute to the SDGs. The SDGs most frequently prioritized by global companies are SDG 8 - Decent Work and Economic Growth, SDG 13 - Climate Action and SDG 12 - Responsible Consumption and Production.

⁸⁰ Source: Private Sector Awareness of the Sustainable Development Goal, <https://www.pwccn.com/zh/consulting/private-sector-awareness-of-the-sustainable-development-goals-jul2020-chi.pdf>

⁸¹ Source: The KPMG Survey of Sustainability Reporting 2020, <https://assets.kpmg/content/dam/kpmg/xx/pdf/2020/11/the-time-has-come.pdf>

III. Integration of the SDGs and the case

【实例1.1-1】 南欧江水电站移民团队	    
【实例1.1-2】 尼泊尔上马相迪A水电站项目	        
【实例2.2】 磨万铁路项目与当地苗族社区友好相处	    
【实例2.3-1】 磨万铁路项目加强非传统安全管理	     
【实例2.3-2】 柬埔寨1577公路改建工程项目降低环境影响	       
【实例3.1-1】 南欧江水电站项目沟通要点——征地移民	        
【实例3.1-2】 埃塞-吉布提跨境供水项目用工沟通	       
【实例3.1-3】 肯尼亚蒙内铁路	        
【实例4.1】 乌干达Kingfisher油田项目信息传播	   
【实例4.2-1】 磨万铁路展示馆	   
【实例4.2-2】 巴基斯坦卡洛特水电站	     
【实例4.3-1】 乌干达Kingfisher油田项目与NGO合作开展社区能力建设	    
【实例4.3-2】 南欧江项目积极与各类机构展开合作	    
【实例4.4】 南欧江水电站项目接待澜-湄合作媒体峰会联合采访团	        
【实例5.2】 老挝项目选取当地村长当关键中间人	     
【实例6.1】 巴库—第比利斯—杰伊汉石油管道项目投诉机制	    
【实例7.1-1】 肯尼亚参与公路抢修救援	     
【实例7.1-2】 老挝南欧江水电项目成功应对流域内20年一遇大洪水	     

Appendix 3: Environmental, Social, and Governance (ESG)

I. What is ESG

In the 1960s and 1970s, with the rise of movements such as human rights and public environmental protection in Western countries, a corresponding investment philosophy was spawned in response to the needs of investors and the public. Issues such as labour rights, racial and gender equality, business ethics and environmental protection began to be emphasised in investment choices. In the 1990s, social responsible investment began to shift from the ethical to the strategic level, taking into account a company's ESG performance in investment decisions and measuring the impact of ESG investment strategies on investment risk and returns.

In 1997, the Global Reporting Initiative (GRI) was established by the US non-profit environmental economy organisation (CERES) and the United Nations Environment Programme (UNEP), and published four editions of the Sustainability Reporting Guidelines in 2000, 2002, 2006 and 2013 respectively. Under the impetus of the United Nations Principles for Responsible Investment (UN-PRI), ESG has grown rapidly around the world. ESG now has a large overseas participant base. As of 2019, more than 2,300 investment institutions worldwide have signed up to the UN PRI partnership, with nearly US\$80 trillion in assets under management.

Although ESG is a relatively late development in China, its core ideas such as "sustainable development" and "green" have a high degree of commonality with China's long-standing development strategy. In recent years, China's vigorous promotion of "green finance" has coincided with the ESG concept. Since 2016, when seven ministries and commissions issued the Guidelines for Establishing the Green Financial System, China's green financial system has been accelerated and China has created a vibrant financial market for environmental, social and climate resilient investment in recent years. In 2017, in response to the social and environmental issues associated with the Belt and Road Initiative construction, the Chinese government issued the Guidance on Promoting Green Belt and Road Initiative and the Belt and Road Ecology and Environment Cooperation Plan to deepen international cooperation on green investment, and the Chinese government's promotion of green finance and responsible investment has become increasingly clear: in President Xi Jinping's keynote speech at the opening ceremony of the Leaders' Round Table of The Second Belt and Road Forum for International Cooperation, he said: "We should adhere to the concepts of openness, greenness and integrity, refrain from creating closed and exclusive small circles, make green a base colour, promote green infrastructure construction, green investment and green finance, and protect our common homeland".

II. Why ESG should be considered

The quality of listed companies is measured not only by financial indicators (e.g. share price, P/E ratio, etc.) but also by non-financial indicators. ESG encapsulates the core non-financial indicators, including the three dimensions of environmental performance, social performance and corporate governance. Ostensibly, ESG information relates to a company's environmental, social and corporate governance affairs, but in reality it reflects the company's approach to creating long-term value, the internal institutional building that enables good decision-making, and the company's ability to hedge risk. This information implies significant risks and opportunities for the company and is an important reference for investors to judge the value of the company and make investment decisions.

According to the Asset Management Association of China's ESG Investment in China Fund Industry Thematic Survey Report (2019) released in 2020, 85% of portfolio investment institutions believe that ESG investment can effectively reduce individual stock and portfolio risk, with 58% of them ranking risk reduction as the primary driver. Institutional investors' ESG investment drivers have gradually evolved from creating value for society and responding to government calls to focusing on the material impact of ESG issues on investment returns.

In 2020, the Bank of New York Mellon (BNY Mellon) released its Global Trends in Investor Relations survey. The survey shows that three ESG issues -

board composition, diversity and inclusion, and climate change and carbon emissions - received the most questions from investors across the industry over the past year. Of course, the focus of investors varies by sector, with energy investors focusing on energy efficiency, for example, and financial company investors focusing on data protection and privacy issues. In this regard, listed companies can refer to SynTao's MQI guidelines, which provide quantifiable key indicators for listed companies to disclose by industry, helping listed companies to identify the most substantive ESG issues in their industry and enabling investors to obtain more valuable ESG information from the disclosure.

According to the Global Sustainability Alliance (GSIA), nearly half of the European capital management market has adopted ESG investments and about a quarter of the US capital management market has adopted ESG investments. In 2020, Panorama.com completed an annual report on investor relations work based on questionnaire responses from more than 2,500 listed companies in Shanghai and Shenzhen, which showed that nearly a quarter of companies believe that in their contacts with foreign investors, foreign investors are more inclined to focus on the company's ESG performance, second only to the company's market positioning, strategy, profitability and policy market environment, but domestic investors do not pay as much attention to ESG as foreign investors.

Appendix 4: Inclusive Development

I. What is inclusive development

Inclusive social development requires addressing the deep-rooted marginalization and discrimination suffered by vulnerable and marginalized groups from context to context, but typically they are women, people with disabilities, indigenous populations, ethnic and linguistic minorities, refugees and displaced populations.

International financial institutions are increasingly demanding policies and procedures that support non-discrimination, equal pay for equal work and the creation of quality jobs for women, marginalised and disadvantaged groups. Discrimination can be direct or indirect. For example, directly prohibiting a blind child from attending school is direct discrimination, while conducting stakeholder consultations in a meeting room that is not accessible to people with disabilities is indirect discrimination. Incomplete policies and standards often lead to indirect discrimination, so there is a need to identify vulnerable or disadvantaged individuals and groups, women, people with disabilities, indigenous populations, ethnic and linguistic minorities, refugees and displaced populations, etc., before embarking on a project, and to assess and prevent the potential risks and negative impacts that may be posed to them.

Under the World Bank's Environmental and Social Framework (ESF), the Bank works to eliminate prejudice and discrimination against disadvantaged or vulnerable individuals or groups and to enhance development opportunities. Such principle is also fully underlined in the SDGs in which SDG 5,8,9,10,11 are the most apparent and direct. Taking into consideration of infrastructure building, the SDG 9 states that we need to build disaster-resilient infrastructure, to promote inclusive and sustainable industrialization and to foster innovation.

Gender equality and social inclusion are priorities in China's domestic and international development strategies and are reflected in many of its policies and laws. In the newly released white paper China's International Development Cooperation in a New Era, it particularly emphasises the promotion of gender equality. The paper states: "Women are an important force for social development and progress. China actively helps developing countries develop women's businesses, creates opportunities for women to grow, and supports and helps women to enjoy a colourful life. "

II. Why Inclusive Development should be considered

It is often assumed that women automatically benefit from new infrastructure projects in the same way as men, without taking into account that the needs and social roles of women and men differ significantly because of their gender. For example, over-urbanization and slums often pose a greater risk to women, as they are more likely to be targeted for assault and harassment in such environments than men. Men and women may also hold different views of the same resources. For example, in some villages in Tanzania, forests are for men a place for hunting and logging, and for women a source of fodder and medicinal herbs for domestic animals. Even for some family hosted by women, their involvement in earning from forests is significantly insufficient. Because of these differences, women do not benefit directly and automatically from infrastructure services intended for the general public, and it has been shown that they often do not benefit unless specific targeted steps are taken to ensure that women participate in and benefit from them.

Balancing gender considerations can assist companies to better understand, anticipate and mitigate impacts, thereby improving the social performance of projects. Women and girls make up approximately 50% of the population and there is a high probability that women will not choose to use or access new infrastructure, including subways and shopping malls, if it does not meet their basic needs and keep them safe from harassment and threats of violence. The accuracy of forecasts of public transport usage and green travel energy savings will then be significantly reduced. Involving women in

the planning and design of infrastructure can improve the ultimate service and effectiveness of the infrastructure in a number of ways. For example, creating a positive corporate image, increasing customer satisfaction, adding more innovative solutions and enabling the whole team to cope better with stress.

Infrastructure has the potential to drive sustainable and transformative economic development, thereby promoting equality, empowerment and economic inclusion. However, the poorest people often do not automatically benefit from economic development, and many of them are vulnerable though from different background. A deliberate and thoughtful approach is therefore needed to ensure the benefits for these groups. Evidence suggests that ignoring disability inclusion will result in projects that ultimately miss opportunities for economic growth. For the state, investing in disability funding in infrastructure can reduce the stigma and discrimination against people with disabilities in the workplace, thereby reducing the state's budget for disability benefits and ultimately contributing to a more vibrant and healthy national economy. The inclusion of people with disabilities in the labour market can increase a country's GDP by between 3 and 7%. For infrastructure projects themselves, ignoring disability inclusion is a poor use of project investment funds and increases the risk of reputation damage. This approach runs counter to the UN Convention on the Rights of Persons with Disabilities (UNCPRD), which provides for a "twin-track" approach that takes into account

disability issues and the focus of targeted programmes in all programming.

Indigenous peoples, as social groups in ethnic societies with very different ethnic identities from the dominant group, are often among the most marginalised and vulnerable populations. Since indigenous peoples often use different community systems or structures than dominant populations, the utilization of different consultation approaches for indigenous peoples is important to ensure their needs are considered. Indigenous peoples may be exposed to different types of risk and may be affected to different degrees, including loss of communal identity, culture,

traditional lands and livelihoods dependent on natural resources. Where a project will have a direct impact on indigenous groups and the lands they traditionally or customarily inhabit, early contact interaction is a vital first step in establishing a process of long-term consultation, informed participation and good faith negotiation. In many countries, there are special legal, statutory and/or regulatory requirements for consultation with indigenous populations if a project is to affect them. Similar requirements are often found in the financing conditions of lenders and in companies' own policies.

Appendix 5: Climate Change (Climate Change)

I. What is climate change

The Earth's climate has remained relatively stable for 10,000 years, but has changed significantly in recent centuries. Global average temperatures have risen by about 1.1 degree Celsius since the 1880s. Climate scientists have found that annual average temperatures in almost all countries around the globe have risen over this period. Before 1980, for example, less than 1% of the Northern Hemisphere was experiencing sharp summer warming; by 2015, this had increased to 15%. In the future, the areas affected by climate change will be even more extensive. As average temperatures rise, 'acute' natural hazards such as heat waves and floods will become more frequent; 'chronic' natural hazards such as droughts and sea level rise will also intensify. With historical emissions and the thermal inertia of the geophysical system, global warming has reached a point where it is "too big to fail" and the probability of natural disasters will increase in the next decade⁸².

The potential impact of climate change on organizations is not only physical and will not only occur in the distant future. To curb the catastrophic consequences of climate change within this century, nearly two hundred countries

agreed in December 2015 on greenhouse gas emission reductions and an accelerated transition to a low-carbon economy. Greenhouse gas emission reductions herald a gradual shift away from fossil fuel energy and related physical assets. This will be accompanied by rapid cost reductions, and the widespread adoption of clean and energy-efficient technologies will have a significant financial impact in the short term on organizations that rely on coal, oil and gas extraction, production and use for their survival. While these organizations may face significant climate-related risks, they are not an exception. In fact, climate-related risks and the expectation of a transition to a low-carbon economy will affect most sectors and industries. While the changes brought about by the transition to a low carbon economy present significant risks, they also create significant opportunities for organizations that focus on climate change mitigation and adaptation solutions. For many investors, climate change will present significant financial challenges and opportunities, both now and in the future⁸³. According to ODI, 720 million people could be pushed back into extreme poverty by 2050 as a result of climate impacts⁸⁴.

⁸² Source: Addressing Climate Change: China's Response. <https://www.mckinsey.com/~/media/mckinsey/business%20functions/sustainability/our%20insights/leading%20the%20battle%20against%20climate%20change%20actions%20for%20china%20new/leading-the-battle-against-climate-change-actions-for-china-vfnew-cn.pdf>

⁸³ Source: TCFD - Report on the Recommendations of the Task Force on Climate-related Financial Disclosures. <https://assets.bbhub.io/company/sites/60/2020/10/TCFD-Report-CHINESE-Version-FINAL-TCFD-Report-062817-Translation-20171119.pdf>

⁸⁴ Source: 720 million will return to poverty in the climate crisis. <https://odi.org/en/press/720-million-will-return-to-poverty-in-the-climate-crisis/>

ii. Why climate change should be considered

Climate change will cause a chain reaction of unimaginable ecological, social and economic damage. These impacts will disproportionately affect women, low-income people and other vulnerable groups. The Organization for Economic Co-operation and Development (OECD) estimates that 60 per cent of global emissions currently come from infrastructure and buildings⁸⁵. In the wake of the impact of the COVID-19, infrastructure financing will be key to rebuilding economies and societies, and it is important to ensure that these funds are deployed in a climate-responsive manner to steer us onto a sustainable and equitable

recovery path. As the frequency and intensity of climate impacts grows companies need to urgently consider how the infrastructure continues to perform as desired in the long-term under conditions of future (climate) change. This means embedding climate resilience throughout the whole life cycle of the project. This should start during the design and financing stage. All infrastructure projects should be able to reassure lenders that the design offers a climate resilient solution.

Taking climate change into account in projects will benefit the project in several ways.



1. Risk mitigation: climate change poses a risk to every company in every industry and region, a risk that will account for 10% of global financial capital by 2100, and it is irresponsible to ignore it. Likewise, ignoring the violence and harassment elements of gender can give companies and projects a bad reputation and have a negative social impact.



2. Fulfilling obligations and meeting investors' expectations: Gone are the days when investments were centered on returns and now investors, regulators, stakeholders, suppliers, employees and customers are all equally focused on the economic and social returns generated by capital investments. Investors are increasingly demanding projects that can clearly demonstrate measurable, ambitious reductions in the greenhouse gas emissions. Projects that are not able to demonstrate reductions will increasingly struggle to raise private and public capital. Sufficient response to climate change could increase companies' opportunities to receive more investments.



3. Delivering long-term value: In order to maximize value and achieve a better outcome, investors must take a holistic gender and climate perspective to ensure that future returns continue to be achieved. By applying a gender and climate perspective to investment decisions, new sources of value can be identified, such as new markets, new lines of business, new customers, and it is also a way to attract and retain talent.



4. Attracting new investment opportunities: Taking a gender perspective into account in climate change issues and a climate change perspective into account in gender issues can attract new investment opportunities in public and private markets. Women can bring innovative solutions to the climate change crisis.

⁸⁵ Source: 720 million will return to poverty in the climate crisis.

<https://odi.org/en/press/720-million-will-return-to-poverty-in-the-climate-crisis/OECD>. (2017). Investing in Climate, Investing in Growth.



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