

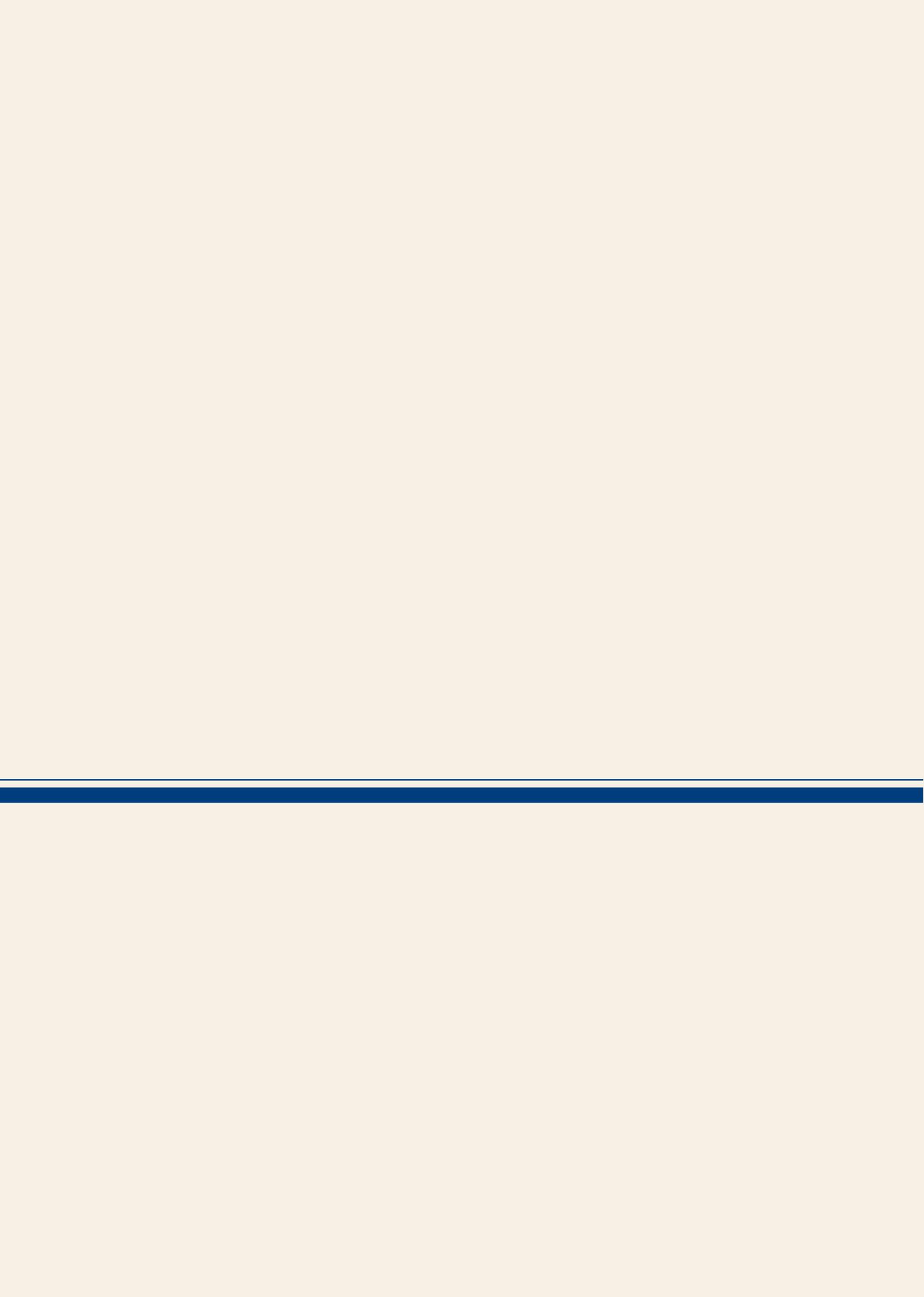


MULTILATERAL  
COOPERATION CENTER  
FOR DEVELOPMENT FINANCE

# ENHANCING STAKEHOLDER ENGAGEMENT IN MULTILATERAL DEVELOPMENT BANK ASIAN PROJECTS IN THE CONTEXT OF LAND ACQUISITION AND RESETTLEMENT

*AN EVENT REPORT*





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Zaruhi Hayrapetyan (Social Development Specialist (Safeguards), ADB)

Suu Tran Quy (Social Development Specialist, AIIB)

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Le Trung Thong (Senior Social Development Specialist, World Bank)

Suu Tran Quy (Social Development Specialist, AIIB)

Joykumar Yumnan (Project Director, Manipur Urban Roads, Drainage and Asset management Improvement Project)

# Abbreviations

<b>ADB</b>	Asian Development Bank
<b>AIIB</b>	Asian Infrastructure Investment Bank
<b>AP</b>	Affected Persons
<b>CoP</b>	Community of Practice
<b>CSG</b>	Community Supervision Groups
<b>E&amp;S</b>	Environmental and Social
<b>EIA</b>	Environmental Impact Assessment
<b>ESP</b>	Environmental and Social Policy
<b>ESS</b>	Environmental and Social Standards
<b>GRM</b>	Grievance Redress Mechanism
<b>IFI</b>	International Financial Institution
<b>LAR</b>	Land Acquisition and Resettlement
<b>MCDF</b>	Multilateral Cooperation Center for Development Finance
<b>MDB</b>	Multilateral Development Bank
<b>MDF</b>	Municipal Development Fund
<b>PIU</b>	Project Implementation Unit
<b>PMU</b>	Project Management Unit
<b>PPM</b>	Project-affected People's Mechanism
<b>Q&amp;A</b>	Question and Answer
<b>WB</b>	World Bank

# 1. Introduction and Context

In infrastructure development, the key to achieving sustainable success increasingly relies on the extent and effectiveness of stakeholder engagement. This is especially crucial in situations involving land acquisition and resettlement, where the rights, livelihoods and futures of affected households and communities are closely connected to project outcomes.

Effective stakeholder engagement during land acquisition and resettlement offers numerous benefits. It promotes transparency, builds trust, resolves conflicts and facilitates smoother project implementation. Additionally, it enables project developers to understand and address the concerns and aspirations of affected communities and affected households, including vulnerable affected households—leading to outcomes that are more inclusive and beneficial for everyone.

This engagement is not just a procedural step but a fundamental element ensuring that projects are sustainable, equitable, and acceptable to all stakeholders involved.

International Financial Institutions (IFIs), such as the Asian Infrastructure Investment Bank (AIIB), Asian Development Bank (ADB), and the World Bank (WB), have long recognized the significance of comprehensive stakeholder engagement practices in their Environmental and Social (E&S) policies<sup>1</sup>.

In the Asian context, where infrastructure development is occurring at an unprecedented scale and pace, IFIs have played a crucial role in building the capacity of their clients to engage with stakeholders effectively. These practices include early and continuous engagement with stakeholders, tailored communication strategies to reach diverse groups, and the establishment of accessible and responsive grievance redress mechanisms (GRMs), among others, to ensure that stakeholder engagement is deeply embedded in the project lifecycle.

The virtual workshop, "[Enhancing Stakeholder Engagement in Multilateral Development Bank Asian Projects in the Context of Land Acquisition and Resettlement](#)," held on 6 December 2023, co-hosted by MCDF, AIIB, ADB, and WB, aimed to capture some of these practices. It built upon the momentum of previous discussions and the identified necessity for focused capacity-building in this area.

The initiative for this workshop stemmed from the insights and feedback garnered during the Environment and Social (E&S) Safeguards Community of Practice (CoP) Seminar on Wind Power Projects in June 2023. This seminar, co-hosted by MCDF, AIIB, and ADB, highlighted a need for more dialogue and capacity-building concerning stakeholder engagement in the context of land acquisition and resettlement<sup>2</sup>.

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<sup>1</sup> [Environmental and Social Framework \(ESF\) \(worldbank.org\)](#), [Environmental and Social Framework - Framework Agreements - AIIB](#) and [Safeguard Policy Statement | Asian Development Bank \(adb.org\)](#)

<sup>2</sup> [AIIB, MCDF and ADB Organize Seminar on Environmental and Social Risks of Wind Power Projects in Manila, Philippines \(themcdf.org\)](#)

The workshop was designed to serve as a platform for experience sharing among project management units (PMUs) of AIIB, ADB, and WB clients in Asia, particularly focusing on connectivity projects. By leveraging lessons learned from Multilateral Development Bank (MDB) initiatives and the unique socio-political landscapes of Asia, the workshop sought to delve into the diverse challenges and opportunities in stakeholder engagement within the land acquisition and resettlement context. Through case study presentations, discussions on policy frameworks, exploration of country systems and sharing of best practices and the lessons learnt, the workshop aimed to provide participants with the knowledge and insights for enhancing stakeholder engagement in the context of land acquisition and resettlement for IFI-funded projects.

## 2. Program of Activities

The one-day virtual workshop, opened and moderated by MCDF's Senior Environment and Social Development Specialist, **Ines Fejzic**, was structured into four themed sessions.

**Session 1:** Key Principles and Requirements of AIIB's Environmental and Social Framework (ESF) for Stakeholder Engagement in the Context of Land Acquisition and Resettlement and case study: India – Manipur Urban Roads Drainage and Asset Management Improvement Project

This session, featuring a presentation by **Suu Tran Quy**, Social Development Specialist, AIIB, provided an overview of the AIIB's ESF related to stakeholder engagement in land acquisition and resettlement. Following this, **Dr. Samir Rai**, Consultant, and **Joykumar Yunnan**, Project Director, presented a case study on the Manipur Urban Roads Drainage and Asset Management Improvement Project in India. This case study illustrated the practical application of AIIB's ESF, focusing on managing land acquisition and resettlement impacts and implementing effective stakeholder engagement strategies.

**Session 2:** Key Principles and Requirements of WB ESF in Stakeholder Engagement in the Context of Land Acquisition and case study: Viet Nam – Citizen Engagement in the Results-Based National Urban Development Program in the Northern Mountains Region

**Ross Butler**, Lead Social Development Specialist at the World Bank, provided an overview of the WB's ESF as it pertains to stakeholder engagement in land acquisition and resettlement. The session was further enriched by a case study on the Citizen Engagement in the Results-Based National Urban Development Program in the Northern Mountains Region of Viet Nam, presented by **Le Trung Thong**, Senior Social Development Specialist at the World Bank. This presentation highlighted the application of the WB's policies in addressing land acquisition challenges and promoting stakeholder engagement.

**Session 3:** Key Principles and Requirements of the ADB SPS 2009 in Stakeholder Engagement in the Context of Land Acquisition and case studies: (i) Philippines: North to South Commuter Railway Project and (ii) Grievance Redress Mechanism (GRM); Georgia: Roadmap to Success: Learning from Complaints and Continual Improvement

This session, presented by **Zaruhi Hayrapetyan**, Social Development Specialist (Safeguards) at ADB, focused on the ADB's Social Protection Strategy (SPS) 2009, specifically its stakeholder engagement requirements in land acquisition. Case studies from the Philippines and Georgia were shared, featuring **Lusha Francesca Maderal**, Project Development Officer, Department of Transportation, Philippines, and **Guja Kvantchilashvili**, Head of Safeguards, Municipal Development Fund of Georgia. These case studies delved into the North to South Commuter Railway Project and Georgia's approaches to grievance redress and continual improvement, showcasing the application of ADB's E&S policies in real-world projects.

**Session 4:** Panel Discussion on Country Systems and Stakeholder Engagement

The concluding session, moderated by **Ines Fejzic**, Senior Environment and Social Development Specialist, MCDF, featured a panel discussion exploring how country systems approach stakeholder engagement within the context of land acquisition and resettlement. Panelists included **Annabelle N. Herrera**, President and CEO of EcosysCorp Inc.; **Samir Rai**, Consultant; **Joykumar Yumnan**, Project Director, Manipur Urban Roads, Drainage and Asset management Improvement Project; and **Zaruhi Hayrapetyan**, Social Development Specialist (Safeguards), ADB. The discussion highlighted the interplay between country systems and IFI policies and outlined actions for aligning national practices with IFI standards for stakeholder engagement.

## 3. Sessions

The sessions followed a structured format, beginning with presentations by IFI E&S practitioners outlining the key principles and requirements of their institutions' E&S policies. This was followed by case study presentations from Project Management Unit (PMU) representatives, illustrating the practical application of these policies. Each session concluded with a discussion and question-and-answer (Q&A) segment, encouraging interaction between speakers and the audience. The last session included a moderated panel discussion and Q&A with participants.

The following sections highlight key points from each presentation and summarize the main discussion points and issues raised by seminar participants. Full presentations are available on MCDF's JIGSAW<sup>3</sup> platform.

### 3.1. Session 1 – Key Principles and Requirements of the AIIB ESF in Stakeholder Engagement in the Context of Land Acquisition and Case Study

#### PRESENTATION HIGHLIGHTS

##### **AIIB ESF - Key Requirements in Stakeholder Engagement in Land Acquisition and Resettlement**

*by Suu Tran Quy (Social Development Specialist, AIIB)*

AIIB's ESF includes the Environmental and Social Policy (ESP) and Environmental and Social Standards (ESS), which prioritize stakeholder engagement across all safeguarding areas. This underscores the importance of transparency and meaningful consultation in project design, implementation and monitoring.

AIIB is committed to engaging stakeholders in a manner that aligns with the E&S risks and impacts associated with projects. This commitment includes establishing a comprehensive mechanism for information disclosure, early and continuous meaningful consultation, public participation, and project-level Grievance Redress Mechanisms (GRMs) establishment that are accessible and effective to affected communities and affected persons.

AIIB emphasized the significance of stakeholder involvement throughout the project lifecycle, including planning, implementation, monitoring, and evaluation of E&S plans. It stressed the need for additional stakeholder engagement in cases of significant project changes that may pose additional E&S risks and impacts.

A crucial aspect of AIIB's approach to stakeholder engagement in land acquisition and resettlement is the early screening of projects to assess the risks and impacts of land acquisition and resettlement, identification of stakeholders and development of consultation plans. AIIB places a strong emphasis on

<sup>3</sup> JIGSAW is MCDF's digital solution for sustainable, high-quality connectivity infrastructure investment.

meaningful consultation with individuals affected by the project – particularly vulnerable affected persons, facilitating their informed participation and ensuring that their feedback is incorporated into project planning, execution, monitoring and evaluation.

The presentation highlighted the necessity for clear documentation of stakeholder engagement processes is required for AIIB's decision-making, with specific attention given to addressing clients' feedback and concerns. AIIB mandates the disclosure of E&S documentation, including details of the consultation process and how the inputs of affected communities and affected persons have been considered. Establishment of project level GRM including the manners to ensure the established GRM disclosed in the affected communities and effective in resolving the complaints and grievances is also a key requirement in the AIIB's ESF.

The session outlined six key topics for stakeholder consultations in the context of land acquisition and resettlement: the proposed project investment and interventions; the potential land acquisition and resettlement impacts to the communities and households; the proposed entitlements for the impacts and eligibility to compensation, supports and resettlement assistance; the implementation schedule of land acquisition and resettlement; the project level GRM; and the arrangements for consultation with and participation of affected communities and affected persons in land acquisition and resettlement process. This comprehensive approach ensures that stakeholders are well-informed and engaged in understanding the project's land acquisition and resettlement impacts, their rights, the mechanism to resolve their complaints and grievances related to land acquisition and resettlement, and the arrangements that information is disclosed as well as the consultation and participation process.

### **Case Study: India - Manipur Urban Roads Drainage and Asset Management Improvement Project**

*by Dr. Samir Rai (Consultant and Anthropologist) and Joykumar Yumnan (Project Director)*

The Manipur Urban Roads Drainage and Asset Management Improvement Project, funded by the AIIB, is an example of a comprehensive approach to urban infrastructure in Imphal, India. It combines road construction with drainage systems and utility corridors, directly addressing the challenges of urban flooding and safety hazards posed by utility services. The project, spanning 541 kilometers, is expected to impact approximately 3,600 households with land acquisition and resettlement.

Given the project's scale and impact on communities, careful consideration is being given to land acquisition and resettlement, with an emphasis on negotiated settlements alongside traditional methods to meet AIIB's ESF requirements. The Public Works Department is executing the project, with land acquisition coordinated by the Deputy Commissioner and a dedicated team in the Project Implementation Unit (PIU). A non-governmental organization facilitates communication between landowners and the acquiring body, negotiating land prices with affected persons through a committee and offering a fallback

mechanism using India's Land Acquisition Act of 2013 if negotiations fail.

Stakeholder engagement is a key focus of this project, with extensive consultations held with directly affected parties and the broader community. These consultations have identified alternatives to minimize adverse impacts, established effective GRM and foster community involvement in decision-making processes.

An innovative aspect of the project is its engineering solutions aiming to reduce the need for land acquisition. By integrating drainage within pavements and refining road designs, the project is demonstrating an advanced approach to minimizing E&S concerns, setting a new standard for AIIB-financed urban infrastructure projects.

The project team has applied learnings from past projects, emphasizing the importance of starting the GRM early in the project lifecycle. While still in the preparation stage, proactive steps have been taken to engage stakeholders and address potential social impacts effectively. Acknowledging the substantial social and resettlement impacts, detailed studies have been undertaken to ensure fair compensation, livelihood restoration and minimization of disruptions to affected households.

## DISCUSSIONS AND Q&A

- ◆ **Grievance Redress Mechanism (GRM) and Project Affected People's Mechanism (PPM):** AIIB emphasized the distinction between project-level GRMs and the PPM. GRMs address grievances at the project level, whereas PPM is another channel for independent review if project-affected persons are dissatisfied with the project level GRM's resolution – and as the last resort. PPM intervenes when there's a failure to comply with E&S policies.
- ◆ **Transparency in Feasibility Studies:** There was a focus on the importance of transparency and early stakeholder engagement in the project development process. Concerns were raised about the practice of not disclosing feasibility studies early, limiting stakeholders' ability to influence project outcomes.
- ◆ **Grievance Redress in Completed Project Sections:** A concern was raised about gaps in grievance redress and stakeholder engagement in completed sections of linear projects. AIIB explained that E&S assessments and monitoring should address these gaps, and corrective action plans should be prepared and implemented if gaps are identified.
- ◆ **Engagement with Vulnerable Groups:** The session discussed the need for specific consultations and provisions for vulnerable groups, including women and the poor, within projects who are affected by land acquisition and resettlement. This includes additional assistance, livelihood restoration schemes, and specific gender action plans and others to ensure that livelihoods of vulnerable groups are improved compared to before being affected by land acquisition and

resettlement by the projects.

- ◆ **Minimizing Land Acquisition through Engineering Solutions:** Representatives shared how they minimized land acquisition in the Manipur project through innovative engineering solutions, such as integrating drainage systems within the carriageway.
- ◆ **World Bank's Perspective on GRM and Project Engagement:** The WB shared insights on the difference between consultation and engagement in projects. The importance for early and ongoing engagement was emphasized, viewing it as a mechanism to avoid grievances and highlighting its role in ensuring project sustainability and cost predictability.
- ◆ **Legal Proceedings in Case of GRM Dissatisfaction:** It was noted that project-affected persons have uninterrupted access to legal remedies as per national legislation. MDBs' policies are designed to complement, not replace or conflict with, national legal systems.
- ◆ **Addressing Specific Needs of Vulnerable Groups:** The project team from India discussed their focus on involving women and tribal groups, ensuring their participation in the project and addressing their specific needs.
- ◆ **Ongoing Stakeholder Mapping and Engagement:** The session emphasized the importance of conducting stakeholder mapping and analysis at regular intervals, especially for projects with extended implementation timelines. Continuous engagement ensures that changing dynamics and new stakeholders are identified and included in the consultation process.
- ◆ **Importance of Early Stakeholder Engagement and Effective GRMs:** Emphasizing the criticality of initiating stakeholder engagement at the outset of impact assessment, the session highlighted that effective engagement is key to understanding and managing project's risks and impacts. Stakeholders should be informed about the project's interventions and included in the assessment process. Additionally, the effectiveness of GRMs often hinges on their design and implementation, underscoring the need for consultation with the community on GRM establishment and capacity building for agencies involved in GRM management.

## 3.2. Session 2 – Key Principles and Requirements of the WB ESF in Stakeholder Engagement in the Context of Land Acquisition and Case Study

### PRESENTATION HIGHLIGHTS

#### **Key Principles in Stakeholder Engagement**

*by Ross Butler (Lead Social Development Specialist, World Bank)*

During the presentation, it was emphasized that timely and accurate identification of stakeholders is crucial for establishing open communication channels and maintain constructive relationships. This foundational step is essential for building trust and ensuring that the needs and aspirations of stakeholders are considered in project design and implementation. Stakeholder engagement is a dynamic process, where each project presents unique challenges and opportunities for meaningful consultation.

It is also an iterative process, where transparency and active listening play pivotal roles in building trust and fostering a two-way dialogue. Early and proactive engagement significantly contributes to project success by enabling better risk management, increased transparency, and public understanding, ultimately leading to more sustainable and inclusive project outcomes.

The WB has a policy framework that requires a stakeholder engagement plan prior to project appraisal. This plan outlines the necessity of continuous, meaningful engagement with all stakeholders, particularly vulnerable and marginalized groups. By involving these groups in the conversation, projects can better address social and environmental risks, ensuring more equitable and effective outcomes. A stakeholder engagement plan should include objectives, stakeholder identification and analysis, program design, feedback mechanisms and resource allocation. The plan is crucial for ensuring that the consultation process is comprehensive and effective.

The presentation stressed the importance to understand and inviting the right stakeholders, managing expectations, and ensuring proper documentation and feedback management and integrating stakeholder input into project design. A solutions-based approach focused on problem-solving should be employed, distinguishing between stakeholders' interests and positions to tailor engagement strategies effectively and identify issues early to prevent them from escalating.

It was also noted that stakeholder consultation is not just about information dissemination but also about building trust and genuinely integrating community voices into project design for better outcomes and enhanced sustainability.

## **Case-Study: Viet Nam - Citizen Engagement in the Results-Based National Urban Development Program in the Northern Mountains Region**

*by Le Trung Thong (Senior Social Development Specialist, World Bank)*

The case study provides a comprehensive analysis of Viet Nam's transformative economic reforms that have been implemented since 1986. These reforms have significantly reduced poverty rates, from nearly 60% in 1992 to 6.7% in 2018, positioning the country on a trajectory to become a high-income country by 2045. However, despite rapid urbanization and an increase in the urban population, regional disparities persist, particularly in the Northern Mountainous region, where poverty rates are higher and per capita income is lower.

To address these disparities, the WB has funded a program that focuses on enhancing urban infrastructure in seven cities within the Northern Mountainous region. The aim is to stimulate regional growth and alleviate poverty, contributing to the overall objectives of urbanization and economic development in Viet Nam.

A key aspect of this program is the emphasis placed on citizen engagement and the establishment of GRM at various administrative levels. These mechanisms provide an avenue for citizens to file grievances, particularly related to land issues. The presentation highlighted Viet Nam's legislative framework, which facilitates stakeholder participation and ensures effective resolution of grievances, especially those related to land acquisition and resettlement. The framework is essential for promoting transparency, accountability and meaningful consultation, particularly within communities affected by land-related matters, considering the significant number of land-related complaints in Viet Nam.

The program's implementation involved the establishment of Community Supervision Groups (CSG), which played a vital role in bridging the gap between PMUs and local communities. These groups gathered feedback, oversaw project implementation and increased the community's involvement in infrastructure maintenance and improvement. However, the presentation also acknowledged the limited role of CSGs, highlighting the need for greater community ownership and participation in future projects.

Reflecting on the implementation of the program, several key lessons emerged:

- Enhancing community ownership is crucial to ensure the sustainability of infrastructure maintenance and future investments.
- Meaningful engagement with ethnic minority communities is necessary, going beyond mere consultation to ensure their informed and active participation in project development.
- Effective GRMs and community supervision groups play a pivotal role in promoting transparent and accountable project implementation.

## DISCUSSIONS AND Q&A

- ◆ **Mandatory Consultations by MDBs:** It was affirmed that major MDBs require clients to carry out consultations as early as possible in the project lifecycle, ideally from the conception stage, as part of their safeguard policy requirements.
- ◆ **Addressing Cultural Limitations in Consultations:** Cultural sensitivity is crucial, especially in contexts where certain groups, like women, might face barriers in being consulted. Tailored approaches based on stakeholder analysis are essential to create an environment where all groups feel comfortable expressing their views.
- ◆ **Program for Results and Ongoing Consultations:** The WB conducts ongoing consultations during program implementation, not just in the planning phase, as part of its' Program for Results. This approach demonstrates their commitment to continuous engagement with clients and beneficiaries.
- ◆ **Handling Administrative Corruption and Vested Interests:** MDBs have stringent policies on integrity and anti-corruption, separate from E&S policies, to ensure adherence to ethics and transparency by all parties involved in a project.
- ◆ **Cutoff Date for Compensation Eligibility:** Projects establish a cutoff date, publicly disclosed, after which structures erected on land earmarked for construction are not eligible for compensation. This process is a standard practice across MDBs.
- ◆ **Worker Grievance Management:** Executing agencies are required by MDBs to have grievance management mechanisms for workers, including contractors, ensuring that grievances at all levels are addressed down the supply chain.
- ◆ **Role of Community Supervision Groups:** The importance of community supervision groups (CSGs) in monitoring project implementation and gathering community feedback was highlighted. These groups act as a liaison between the community and project management units.
- ◆ **Project Design Changes Resulting from Stakeholder Engagement:** Stakeholder engagement can lead to changes in project design, especially when significant social or environmental impacts are identified, requiring additional due diligence, assessment or stakeholder engagement.
- ◆ **Challenges in Litigation and Resettlement:** Issues such as lengthy legal proceedings and challenges in land acquisition and resettlement are actively resolved by MDBs through various mechanisms, including direct communication with affected parties and government authorities.

### 3.3. Session 3 – Key Principles and Requirements of the ADB SPS 2009 in Stakeholder Engagement in the Context of Land Acquisition and Case Studies

#### PRESENTATION HIGHLIGHTS

##### **Key Principles and Requirements of the ADB Safeguards Policy Statement (2009) on Stakeholder Engagement in Land Acquisition and Resettlement**

*by Zaruhi Hayrapetyan (Social Development Specialist (Safeguards), ADB)*

The presentation highlighted the majority of complaints received by ADB are related to issues of resettlement, valuation and compensation, indicating a critical need for improved engagement with stakeholders, especially in transport and infrastructure projects.

The ongoing revision of ADB's Safeguards Policy Statement from 2009 is aimed at addressing feedback obtained from extensive consultations with over 3,000 stakeholders, including government bodies and civil society. The objective of this process is to enhance policy implementation and introduce actionable principles. The draft policy introduces ten standards that feature significant improvements in stakeholder engagement and grievance redress mechanisms. Notable additions include the requirement for a stakeholder engagement plan, a greater focus on the needs of disadvantaged and vulnerable groups, and the provision for mediation in complex grievance cases.

The new policy emphasizes the importance of documenting consultations with affected individuals and stakeholders within resettlement plans. This involves listing stakeholders, summarizing received feedback, and explaining how this feedback was taken into consideration or the reasons for not incorporating it. ADB proposes encouraging affected individuals to express their concerns during the early stages of project development, ensuring that these grievances are documented and monitored. This proactive approach aims to address grievances even before formal loan agreements and project implementations.

It was noted that insights from ADB's ongoing work in updating its E&S policy underscore the necessity of borrower ownership over grievance mechanisms, the decision-making capacity of GRMs at various stages of the project, and the need for flexibility and adaptability in grievance mechanisms to suit project needs and contexts. Recommendations include increasing the visibility of grievance mechanisms, employing community liaison officers for grassroots communication, and ensuring that grievance mechanisms are designed to include a wide range of stakeholders, from local authorities to civil society, to achieve comprehensive engagement and resolution of issues.

## **Case Study: Philippines: North to South Commuter Railway Project, Grievance Redress Mechanism**

*by Lusha Francesca Maderal (Project Development Officer, Department of Transportation, Philippines)*

The NSCR system, a 147-kilometer railway in the Philippines connecting the National Capital Region (NCR) to the regional centers of Pampanga and Laguna, significantly impacts informal settler families and landowners, with 15,179 affected informal settler families and 2,806 landowners. While the project brings economic development and improved accessibility, it also brings challenges like displacement and disruption of livelihoods. Since 2019, 3,458 grievances and queries have been recorded, primarily concerning general inquiries, land acquisition and relocation concerns, with most of them being resolved.

Established two years before construction, the GRM is designed to address project-related concerns effectively and efficiently. In 2022, innovations like electronic submission channels were introduced to adapt to pandemic's challenges and improve accessibility. The NSCR Grievance Redress Framework emphasizes the interplay of people, processes and platforms, developing eleven mechanisms and tools including policies, manuals, and codes of conduct. These tools focus on social and environmental safeguards, as well as gender equality.

Acknowledging the significance of local conditions and laws, the policies are customized to fit the local context while also adhering to ADB standards. They are continuously monitored and evaluated for adjustments to improve alignment with project goals. Stakeholders are informed and educated through the distribution of brochures and FAQs, community assemblies and the strategic placement of informational materials.

A structured categorization of grievances helps anticipate problems and standardizes resolution mechanisms. This ensures efficient processing of grievances within the project scope, while those outside are directed to appropriate agencies.

Training sessions were also conducted for partner implementers and governmental agencies to adapt the GRM to their specific contexts. Plans are underway to mainstream the mechanism to the "barangay<sup>4</sup>" level to reach community leaders and grassroots levels.

The introduction of a web-based form and a dedicated SMS for grievance submission, known as the E-GRM and connected to a centralized database, promotes accountability and accessibility, ensuring efficient data management and stakeholder communication. The E-GRM was developed to enhance transparency and stakeholder engagement.

Challenges and lessons learned include the need to promote awareness, build trust, ensure timeliness and leverage internal and external partners, all of which are key to the mechanism's success.

The project's GRM aims to go beyond just resolving grievances, fostering a culture of transparency, accountability and collaborative effort that sets a governance benchmark for future projects.

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<sup>4</sup> A barangay is the smallest administrative division in the Philippines. It is the native Filipino term for a village, district, or ward. In metropolitan areas, the term often refers to an inner-city neighborhood, a suburb, or a suburban neighborhood.

## **Case Study: Georgia: Roadmap to Success: Learning from Complaints and Continual Improvement**

*by Guja Kvantchilashvili (Head of Safeguards, Municipal Development Fund of Georgia)*

The Municipal Development Fund (MDF) of Georgia, established in 1997, coordinates with IFIs investing in Georgian projects. Over the years, the MDF has refined its approach to stakeholder engagement and the GRM, recognizing their critical role in successful project implementation. The insights from the MDF highlight its journey, revealing challenges and lessons learned. In earlier projects, delays arose due to complaints from affected persons (APs). It became evident that proper project planning and meaningful consultations with high local population involvement are crucial for successful project execution. Emphasizing the value of viewing complaints as opportunities for project improvement has become a cornerstone of effective safeguards practice in Georgia.

Key strategies employed by the MDF include integrating dedicated professional staff for stakeholder engagement, especially in large-scale projects, and adopting innovative and creative solutions to address project-related issues. The involvement of local communities in the planning and document preparation processes has been identified as crucial for avoiding complaints and ensuring project support. This approach is supplemented by employing designated communication specialists to facilitate efficient stakeholder communication throughout all project stages.

A notable project implemented by the MDF involved restoration of historical houses in one of Georgia's mountainous regions, necessitating the temporary relocation of approximately 200 APs. From the project's initial planning process, APs actively participated in the design process, their feedback was incorporated, and their consent was obtained. This approach resulted in widespread satisfaction with the project and fostering trust within the community.

The presentation also emphasized the importance of comprehensive budget allocation for compensation packages, covering a broad spectrum of potential needs and contingencies. The MDF's GRM process consists of a two-stage mechanism, starting with informal dispute resolution at the project level and escalating to a Grievance Redress Committee (GRC) at the implementing agency level. This structured approach ensures effective grievance resolution and is supported by rigorous documentation and accessibility measures.

In response to the challenges posed by the pandemic, the MDF innovated with online consultation models to maintain stakeholder engagement and project progress. This method facilitated continued interaction with stakeholders, including targeted consultations for vulnerable groups, ensuring uninterrupted project planning and implementation.

In conclusion, the MDF's experience highlights the transformative impact of embracing complaints as constructive feedback.

## DISCUSSIONS AND Q&A

- ◆ **Enforcement of Safeguards in PPP Projects:** MDBs include specific clauses in financing agreements to ensure that private agencies adhere to safeguard policies, even when land acquisition is government-led. This contractual obligation requires private agencies to carry out meaningful stakeholder engagement and consultation in compliance with MDB standards.
- ◆ **Handling Ownership Disputes in Compensation:** When ownership is unclear or disputed in land acquisition, MDBs often place compensation funds in an escrow account. This ensures that rightful owners are compensated once ownership issues are resolved, preventing project delays while safeguarding the interests of affected individuals.
- ◆ **Importance of Early Stakeholder Engagement:** MDBs emphasize the importance of early and meaningful stakeholder engagement, particularly in PPP projects, to ensure compliance with safeguard measures. They often provide capacity-building and technical assistance to both private partners and government agencies involved in PPP arrangements.
- ◆ **Addressing Vulnerable Groups in Grievance Mechanisms:** Strategies to encourage vulnerable groups to use GRMs include regular monitoring, specialized training for individuals affected by gender-based violence and promoting diverse leadership. It was highlighted that the importance of building trust and credibility in the grievance process.
- ◆ **Budget Allocation and Livelihood Compensation:** In Georgian projects, comprehensive budget allocation for various compensation, including livelihood allowances, is crucial. Livelihood Restoration Plans are either integrated into the Land Acquisition and Resettlement Plans (LARP) or developed as standalone plans, ensuring affected persons are adequately compensated and supported.
- ◆ **Training and Skill Enhancement:** Skill enhancement training for staff and contractors is crucial for the effective implementation of safeguard measures and GRMs. Georgian projects emphasize the importance of training for environmental, resettlement, social specialists, and gender specialists to ensure all parties involved are skilled and knowledgeable.
- ◆ **Motivating GRM Team Members:** In the Philippines railway project, team members are motivated by the positive impact of their work and the fulfillment of their contractual and mandate responsibilities. While no extra salaries are paid, community organizing, and mobilization are utilized to advocate for social development.

## 3.4. Session 4 – Panel: Country Systems and Stakeholder Engagement

### PANEL HIGHLIGHTS

The panel discussion began by focusing on the Philippines and its comprehensive legislative framework governing land acquisition and resettlement, including key acts like the Right of Way Act and the Indigenous Peoples Rights Act. It was noted that while these legislations lack specific guidelines for stakeholder engagement, existing environmental stakeholder engagement strategies have been adapted and improved for land acquisition and resettlement processes. A notable difference was highlighted between environmental impact assessment (EIA) consultations and those for land acquisition and resettlement, underscoring the need for more focused and direct engagement with affected persons rather than broader public involvement. One proposed solution is the adoption of online platforms for stakeholder engagement, which has proven particularly valuable during the pandemic and continues to enhance inclusivity and accessibility for affected communities.

The discussion then shifted to India, specifically the Land Acquisition, Rehabilitation, and Resettlement Act of 2013. This act emphasizes fair compensation, transparency, and the inclusion of affected parties as equal partners in the development process. While the act is comprehensive and liberal in its approach, some challenges were acknowledged. These include limitations in addressing the full spectrum of vulnerable groups and the static nature of certain documents, which could restrict grievance redress. The panelists further discussed implementation challenges and the differences between the act and IFI policies, particularly regarding the definition of replacement cost and the static nature of the act after finalization of documents.

ADB's upcoming ESS 10 emphasizes the use of stakeholder engagement as a management tool for better project implementation. It encourages leveraging existing local mechanisms for grievance resolution, provided they are inclusive and do not exclude marginalized groups. The new policy aims to bridge gaps between objectives and national legislation, enhancing borrower capacity.

The discussion highlighted the complexities of aligning national systems, with a spotlight on India and the Philippines, with IFI policies in land acquisition and resettlement. It underscored the importance of stakeholder engagement as a management tool and the need for continuous improvement in practices and policies to ensure fair and inclusive processes.

## DISCUSSIONS AND Q&A

- ◆ **Validity of Safeguard Documents:** Safeguard documents for land acquisition such as Resettlement Action Plans (RAP) or Land Acquisition Plans (LAP) generally require updates if the project implementation is delayed. This ensures they remain current and reflect any new impacts or issues arising from changes in the project setup. Stakeholder engagement must be ongoing and continuously updated.
- ◆ **Importance of Timely Compensation:** MDBs emphasize that affected people should be compensated before construction begins. Projects cannot start until compensation has been paid. This is a fundamental principle to prevent delays due to outstanding compensations.
- ◆ **Handling Unforeseen Changes in Projects:** Unexpected design changes or other issues may arise during the project. MDBs sometimes transfer unresolved issues to the next tranche of funding to ensure continued monitoring and completion.
- ◆ **Compliance Monitoring Reports:** In some regions, these reports must be prepared and approved before construction can start. They serve as a tool to demonstrate that compensation has been paid and policy principles are met.
- ◆ **Leverage of MDBs Post-Project Closure:** After project closure, MDBs have limited leverage in continuing certain actions. In some cases, actions not completed can be transferred to ongoing loans for continued monitoring.
- ◆ **Addressing Partial or Full Demolition Costs:** Contractors are generally responsible for demolishing structures, and affected people should have access to materials from their demolished properties. The cost of demolishing structures is part of the bidding process and is not typically included in the compensation package.

## 4. Workshop Takeaways

The workshop provided comprehensive insights into the E&S policies of the AIIB, WB and ADB regarding stakeholder engagement in land acquisition and resettlement. Key points that were raised during the workshop include:

- **Emphasis on Early and Meaningful Stakeholder Engagement:** All three institutions stress the importance of early, transparent, and meaningful stakeholder engagement throughout the project lifecycle. This includes planning, implementation, monitoring, and evaluation phases, ensuring stakeholders are well-informed, and their feedback is incorporated into project planning and execution.
- **Grievance Redress Mechanisms (GRMs):** The establishment of accessible, efficient, and transparent GRMs at the project level is crucial. These mechanisms should be proactive, allowing grievances to be addressed promptly and effectively, with AIIB and WB emphasizing the distinction between GRMs and independent project affected people's mechanism (accountability mechanism).
- **Transparency and Documentation:** Clear documentation of stakeholder engagement processes, including feedback incorporation and consultation details, is essential for informed decision-making and accountability. This includes the disclosure of E&S documentation and ensuring stakeholder inputs are genuinely considered.
- **Focus on Vulnerable and Marginalized Groups:** Special attention is required for engaging with vulnerable and marginalized groups to ensure their needs and concerns are adequately addressed. Tailored approaches for these groups, including gender-specific actions and provisions for ethnic minorities, are necessary for achieving equitable and effective outcomes.
- **Innovative Solutions to Minimize Land Acquisition:** Projects should seek innovative engineering and design solutions to reduce the need for land acquisition, as demonstrated by the Manipur Urban Roads Drainage and Asset Management Improvement Project. These efforts not only minimize E&S impacts but also set new standards for infrastructure development.
- **Legislative and Policy Alignment:** The alignment between national legislation and IFI policies is highlighted as a complex yet crucial aspect. Upcoming policies, such as ADB's ESF and the pertinent ESS 10, aim to bridge these gaps by encouraging the use of local grievance resolution mechanisms and enhancing borrower capacity.
- **Continuous Stakeholder Mapping and Engagement:** Ongoing stakeholder mapping and engagement are vital, especially for projects with extended timelines. This ensures that new stakeholders are identified and included in the consultation process, addressing changing dynamics and ensuring comprehensive engagement.

- **Project Implementation and GRM Innovations:** Examples from the Philippines' North to South Commuter Railway Project illustrate the importance of establishing GRMs well before construction and adapting them to local contexts. Innovations in grievance submission and processing, such as electronic channels, enhance accessibility and efficiency.
- **Learning from Complaints for Continuous Improvement:** Viewing complaints as opportunities for improvement, as practiced by the Municipal Development Fund of Georgia, underscores the value of proactive stakeholder engagement and the need for dedicated professional staff to facilitate effective communication.

# Annex: Event Program



## AGENDA

Time	Topic	Speaker(s)
<b>Opening and Introduction</b>		
9:30 – 9:40	<ul style="list-style-type: none"> <li>Importance of Stakeholder Engagement (SE) in Development/Infrastructure Development Projects</li> <li>Importance of SE in Land Acquisition and Resettlement (LAR)</li> <li>Workshop Objectives</li> </ul>	<b>Ines Fejzic</b> Senior Environment and Social Development Specialist, MCDF
<b>Session 1</b>		
9:40 – 10:00	Key Principles and Requirements of the <u>AIIB ESF</u> in SE in LAR	<b>Suu Tran Quy</b> Social Development Specialist, AIIB
10:00 – 10:45	<b>Case Study: India – Manipur Urban Roads Drainage and Asset Management Improvement Project</b> (i) Context of selected project-including the land acquisition impacts; (ii) Design and implementation of stakeholder engagement in land acquisition and resettlement; (iii) Experiences and lessons learned during the process	<b>Dr. Samir Rai</b> , Consultant/ Anthropologist and <b>Joykumar Yumnan</b> Project Director
10:45 – 11:15	Discussion and Q&A	All Participants
<b>Session 2</b>		
11:15 – 11:35	Key Principles and Requirements of <u>WB ESF</u> in SE in LAR	<b>Ross Butler</b> Lead Social Development Specialist, World Bank
11:35 – 12:20	<b>Case-Study: Vietnam – Citizen Engagement in the Results-Based National Urban Development Program in the Northern Mountains Region</b> (i) Context of the selected project-including the land acquisition impacts; (ii) Design and implementation of stakeholder engagement in land acquisition and resettlement; (iii) Experiences and lessons learned during the process	<b>Le Trung Thong</b> Senior Social Development Specialist, World Bank
12:20 – 12:45	Discussion and Q&A	All Participants
12:45 – 13:30	Lunch Break	
<b>Session 3</b>		
13:30 – 13:50	Key Principles and Requirements of the <u>ADB SPS 2009</u> in SE in LAR	<b>Zaruhi Hayrapetyan</b> Social Development Specialist (Safeguards), ADB
13:50 – 14:35	<b>Case-Studies: Philippines: North to South Commuter Railway Project, Grievance Redress Mechanism; Georgia: Roadmap to Success: Learning from Complaints and Continual Improvement</b> (i) Context of the selected project-including the land acquisition impacts; (ii) Design and implementation of stakeholder engagement in land acquisition and resettlement; (iii) Experiences and lessons learned during the process	<b>Lusha Francesca Maderal</b> Project Development Officer, Department of Transportation, Philippines  <b>Guja Kvantchilashvili</b> Head of Safeguards, Municipal Development Fund of Georgia
14:35 – 15:05	Discussion and Q&A	All Participants
<b>Session 4</b>		
15:05 – 16:00	<b>Panel Discussion: Country Systems and Stakeholder Engagement</b> <ul style="list-style-type: none"> <li>How well do country systems on stakeholder engagement in land acquisition and resettlement work in the region?</li> <li>Key areas of improvement between country systems and IFI policies.</li> <li>Actions for countries to reach compliance with IFI (AIIB, ADB, WB) policies.</li> </ul>	<b>Annabelle N. Herrera</b> President and CEO EcosysCorp Inc.  <b>Dr. Samir Rai</b> , Consultant/ Anthropologist and <b>Joykumar Yumnan</b> Project Director, Manipur Urban Roads, Drainage and Asset management Improvement Project  <b>Zaruhi Hayrapetyan</b> Social Development Specialist (Safeguards), ADB  Moderator: <b>Ines Fejzic</b> Senior Environment and Social Development Specialist, MCDF
<b>Close Out and Key Takeaways</b>		
16:00 – 16:30	<ul style="list-style-type: none"> <li>Summary of the Discussions</li> <li>Closing Remarks</li> </ul>	<b>Ines Fejzic</b> Senior Environment and Social Development Specialist, MCDF

# The Multilateral Cooperation Center for Development Finance (MCDF)

The Multilateral Cooperation Center for Development Finance (MCDF) is a multilateral initiative designed to increase high-quality infrastructure and connectivity investments in developing countries through partnerships. With a central goal of encouraging the adoption of IFI standards, it is designed to reinforce the numerous existing global, regional and sectoral initiatives established in response to the worldwide need for more connectivity infrastructure. This includes supporting the implementation of the G20 Quality Infrastructure Principles, the UN Agenda 2030 and its Sustainable Development Goals, and the Paris Climate Agreement.

MCDF is unique in the way it pursues its goals by acting as a 'one-stop shop' for both developing country governments and new partners – sharing information, building capacity and assisting with project preparation.

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