



USAID
FROM THE AMERICAN PEOPLE

ENVIRONMENTAL COMPLIANCE FACTSHEET

STAKEHOLDER ENGAGEMENT IN THE ENVIRONMENTAL AND SOCIAL IMPACT ASSESSMENT (ESIA) PROCESS

TABLE OF CONTENTS

Table of Contents	1
Purpose	2
Introduction to Stakeholder Engagement	2
What is stakeholder engagement?	2
Why is stakeholder engagement important in EIA?	2
Methods of Conducting Stakeholder Engagement	3
Who are the stakeholders?	4
What level of stakeholder engagement should be pursued?	7
What best practices enhance stakeholder engagement?	8
Stakeholder Engagement in USAID Environmental Procedures	9
When should stakeholder engagement occur in the context of Reg. 216?.....	9
What do USAID’s Environmental Procedures (Reg. 216) say about stakeholder engagement in the environmental review process?	10
What level of stakeholder engagement should be pursued in the IEE/EA Process?	12
Free, Prior, and Informed Consent (FPIC)	13
Resources	13

This report is made possible by the support of the American People through the United States Agency for International Development (USAID). The Cadmus Group and ICF prepared this report under USAID’s Environmental Compliance Support (ECOS) Contract, Contract Number GS00Q14OADU119, Order No. 7200AA18N00001. ECOS is implemented by ICF and its subcontractors. The contents of this report are the sole responsibility of the authors and do not necessarily reflect the views of USAID or the United States Government.

PURPOSE

This factsheet provides background information on stakeholder engagement as well as clear guidance and best practices to assist USAID staff and partners in incorporating stakeholder engagement into USAID's environmental procedures. Stakeholder engagement is a best practice to include when preparing complex Initial Environmental Examinations (IEE). Furthermore, it is an integral part of preparation of an Environmental Assessment (EA) or Programmatic Environmental Assessment (PEA).

INTRODUCTION TO STAKEHOLDER ENGAGEMENT

WHAT IS STAKEHOLDER ENGAGEMENT?

Stakeholder engagement refers to a broad, inclusive, and continuous process to engage persons or groups who are directly or indirectly affected by a project, as well as those who may have interests in a project and/or the ability to influence its outcome, either positively or negatively.¹

Public participation is a similar, though not interchangeable concept. It is generally defined as a process in which an organization directly engages with the public in problem-solving or decision making and that fully considers the public input to make decisions.² Stakeholder engagement and public participation share a common goal to involve the stakeholders and/or the public in decision-making processes related to a proposed project. However, public participation is often perceived as a mandatory but low value action, stakeholder engagement refers to a broader and more participatory process that seeks to address a range of activities and interactions over the life of a project.

For basic information about USAID's Environmental Procedures:

<http://www.usaidgems.org/>

This fact sheet assumes basic knowledge of USAID's Environmental Procedures (22 CFR 216 and associated directives).

WHY IS STAKEHOLDER ENGAGEMENT IMPORTANT IN EIA?

For USAID and many other bilateral and multilateral donor organizations, it is common practice to include stakeholders in decision making processes for project design, implementation, and evaluation, as well as for the purposes of environmental and social impact assessment (ESIA). Stakeholder engagement can enhance the effectiveness, efficacy, and accountability of the ESIA process and the project. If undertaken in a transparent, balanced manner, it can reduce conflicts and strengthen the sense of ownership of a project and the project's sustainability.

¹ IFC. 2007. Stakeholder Engagement: A Good Practice Handbook for Companies Doing Business in Emerging Markets. http://www.ifc.org/wps/wcm/connect/938f1a0048855805beacfe6a6515bb18/IFC_StakeholderEngagement.pdf?MOD=AJPERES

² EPA. 2016. Public Participation Guide: Introduction to Public Participation. <https://www.epa.gov/international-cooperation/public-participation-guide-introduction-public-participation> Website last updated April 18, 2016.

Stakeholder engagement often collaboratively identifies issues and options, and helps make decisions based on input received via the stakeholder engagement process. Some benefits of stakeholder engagement include:

- Stakeholders often offer knowledge and information about local environmental issues, conditions, or concerns;
- Stakeholders may be able to devise creative solutions not considered by an implementing entity;
- Social problems and conflicts may be avoided or minimized when stakeholders are consulted;
- Consultation may increase the commitment of the stakeholders to projects, plans, or programs³;
- Stakeholder engagement raises awareness regarding a particular project; and
- The process provides an opportunity for stakeholders to discuss, ask questions, and raise concerns, in a format that is documented and acknowledged.

Stakeholder engagement in decision making can also:

- Help educate and disseminate information on the issues being discussed;
- Increase trust between and amongst the involved parties;
- Empower civil society to be responsible for and take responsibility of actions;
- Help ensure sustainable use of resources; and
- Lead to improved cost-effectiveness that may contribute to more sustainable development.

Another potential benefit of stakeholder engagement is soliciting the public's input in the design of environmental mitigation and monitoring plans, and in the actual monitoring of projects to ensure that mitigation takes place as intended. This generally improves the implementation of the mitigation measures, prevents fraud, and promotes accountability of a project's proponents.

Stakeholder engagement in the EIA process can also have wider implications for societies seeking to increase involvement in governance. Effective engagement can serve as a model for broader political debate and more open and transparent decision-making. Stakeholder engagement in EIA can be a vehicle for citizens to "act as advocates for its use in decision-making processes affecting their lives, to their political leaders who will then require it of regulatory bodies."⁴ To reach these goals, the stakeholder engagement process should be transparent and free from the use of manipulation, coercion, interference, intimidation, or illegal conduct.

METHODS OF CONDUCTING STAKEHOLDER ENGAGEMENT

The goal of stakeholder engagement is to engage with potentially affected individuals, groups, and entities over the life of a project. As such, the process may involve several steps, including stakeholder identification and analysis; information disclosure; consultations; negotiations and partnerships; grievance

³ Consultation is the process by which the public's input on matters affecting them is sought. Its main goals are in improving the efficiency, transparency and public involvement in projects or laws and policies.

⁴ OECD. 2012. Due Diligence Guidance on Meaningful Stakeholder Engagement in the Extractives Sector. <http://www.oecd.org/daf/inv/mne/OECD-Guidance-Extractives-Sector-Stakeholder-Engagement.pdf>

management; involvement in project monitoring; reporting back to stakeholders; and management of project proponent's capacity.⁵ There is no definition of how much stakeholder engagement is "enough"; often via the stakeholder engagement process, the needs and desires of the stakeholders are further defined which will inform the timeline and level of engagement.

WHO ARE THE STAKEHOLDERS?

The first step in engaging stakeholders is identifying potential stakeholders and understanding how they relate to the project. If the stakeholder analysis is not systematic and thorough, individuals and groups may be inadvertently excluded. Key steps in the process include:

1. **Identifying:** listing all possible relevant groups, organizations, and people with considerations on how stakeholder information may be disaggregated for analysis purposes so that it has equal representation according to gender, age, sexual orientation, education, or roles in society and households, among others;
2. **Analyzing:** understanding stakeholder perspectives, values, biases, and relevance;
3. **Mapping:** visualizing relationships to objectives and other stakeholders;
4. **Prioritizing:** ranking stakeholder relevance and identifying issues.

STAKEHOLDER IDENTIFICATION

The public, or stakeholders can be defined as "those affected by the outcome (negatively or positively) or those who can affect the outcome of a proposed intervention" (World Bank). Identification of stakeholders should initially encompass a broad range of possible groups and sub-groups, which then may be further refined through stakeholder analysis.

Key stakeholder groups often include legitimate landholders⁶, which could include indigenous peoples, locally affected communities or individuals and their formal and informal representatives; other stakeholders, which could include politicians, religious leaders, civil society organizations, the academic community, local government authorities, private sector entities, vulnerable groups; national or local government authorities, and groups with special interests;

and users of ecosystem services or those dependent on local natural resources both immediately surrounding the project area as well as areas that may be indirectly impacted by the project. Those living in the target area can provide valuable insight and more complete information about who the stakeholders are, specifically those who may be directly and indirectly affected by the project. Often it is best to consult several local organizations and/or citizens to develop a fuller understanding of the range

Legitimate land ownership is not always who legally owns the project land; it includes those who currently occupy and/or use the land. These individuals have legitimate land rights that must be respected. These rights may stem from long-term customary use.

⁵ IFC, 2007.

⁶ Refer to USAID's Operational Guidelines for Responsible Land-Based Investment (2015) <http://www.usaidlandtenure.net/documents/operational-guidelines-responsible-land-based-investment> for more information on legitimate landholder issues and approaches.

of stakeholders. Table I describes general stakeholder groups and the benefits of consultation with them.

TABLE I. POTENTIAL STAKEHOLDER GROUPS AND SUMMARY OF BENEFITS OF ENGAGEMENT

STAKEHOLDER	BENEFITS TO ENGAGEMENT
Civil Society	<ul style="list-style-type: none"> • Build capacity and knowledge base • Exercise and protect rights • Influence form and nature of the development activity
Decision Makers	<ul style="list-style-type: none"> • Access to broader range of perspectives and opinions • Improve sustainability of project and environmental governance
Project Proponent	<ul style="list-style-type: none"> • Improve design of development activity • Early detection of issues may result in cost and time savings • Improve mitigation and monitoring plans and implementation by generating sense of ownership and accountability in the communities • Transparency will result in enhanced image and reputation
EIA Practitioners	<ul style="list-style-type: none"> • Provides good basis for accountability and transparency • Improve quality of EIA • Access to broader range of perspectives and opinions
Indigenous Peoples	<ul style="list-style-type: none"> • Traditional knowledge, innovations, and practices shared • Promote use of appropriate technologies • Consideration of interrelationship among environmental, cultural and social elements • Reduce potential for conflict
Legitimate landholders	<ul style="list-style-type: none"> • Understanding land use systems and rights by various users • Reduce potential for conflict • Access to a broader range of perspectives and opinions • Improve transparency of project and project outcomes

STAKEHOLDER ANALYSIS

After identifying and grouping stakeholders, stakeholder analysis is used to characterize stakeholder group interests, how they will be affected by the proposed action and to what degree, and how those groups may influence the project. The stakeholder analysis process may reveal important differences among groups, including their concerns and priorities. Table 2 lists common categories and characterizations for stakeholders.

TABLE 2. STAKEHOLDER ANALYSIS⁷

TO ANALYZE STAKEHOLDERS BY...	CHARACTERIZE AS...
Impact/interest	Directly affected, indirectly affected, and possibly affected
Sector	Business/industry, citizens/community, government, NGOs, others, indigenous peoples ⁸
Geographic location	Local, national, neighboring countries, international/regional, including the project's area of influence
Influence	Those groups who can affect the outcome

STAKEHOLDER MAPPING

Mapping the scale and intensity of types of environmental and social impacts on various groups is a key tool used to determine which groups are most directly impacted by a project and which groups are interested in the project for other reasons (or motives). Stakeholder mapping is a dynamic process which will change as the due diligence process proceeds, and may involve producing a visual representation such as graphics or charts to visually understand the range of stakeholder groups and how they may or may not relate to each other. In other words, stakeholder mapping assists in understanding who the stakeholders are, where they come from, and what their relationship is to the project. In cases where indigenous peoples may be directly impacted by a project, then further analysis and mapping should be undertaken in a manner that would determine whether a Free, Prior and Informed Consent (FPIC) process applies to the project; FPIC is further discussed at the end of this document.

STAKEHOLDER PRIORITIZATION

In the prioritization step, the information collected during identification, analysis, and mapping should be used to identify stakeholders into an initial list of impacted stakeholders and identify issues related to engaging these stakeholders. Note that this list is dynamic and may change as a project evolves or shift according to different phases of a project.

Consider the following when prioritizing the stakeholders to involve in the participatory process:

- **Each stakeholder category may be an umbrella for different sub-categories.** For example, the business community is a stakeholder group that would be directly affected by a road construction project. But the business community is an umbrella category that can be broken down into several sub-categories: micro, small, medium, and large businesses; businesses along the new road and businesses along the existing road; businesses that benefit from increased traffic, and businesses that may be negatively affected (e.g., hotels promising peaceful nights, outdoor restaurants whose patrons may be chased away by fumes); etc.

⁷ "Developing a public participation strategy" (Module 3), Building Capacity for Public Participation in Environmental Decision-making, Public Participation Training Module, November 1996; Prepared by the Regional Environmental Center for Central and Eastern Europe (REC).

- **Including people from different socio-demographic groups will give the most accurate picture of a project's effects.** Gender, age, income level, education, ethnicity, and languages, as well as vulnerable groups and the range of political and religious leanings all need to be taken into account.
- **Different stakeholders may require and prefer different types of involvement.** For example, if women are the main group involved in agricultural production, and they are in the fields during the early morning hours, attention should be paid to scheduling meetings to coincide with their routines. If women typically do not share freely in meetings with men, separate meetings should be scheduled. If women are discouraged from leaving the house on their own, meetings can be scheduled at local homes. If vulnerable groups, such as those affected with HIV/AIDS are ostracized, meetings can be scheduled with only those groups. Additionally, when indigenous peoples are identified as a stakeholder, then a FPIC process must be incorporated as a distinct component of the overarching stakeholder process. Consultations including diverse groups, when appropriate, may result in a more open exchange of ideas and enhance the relevancy of certain views.
- **The range of stakeholders and their concerns can change at every stage of a project.** For example, in the case of a road construction project, those living near the site where road materials are being extracted may be affected during the construction stage, but may not feel effects as acutely once construction is completed.

WHAT LEVEL OF STAKEHOLDER ENGAGEMENT SHOULD BE PURSUED?

Communities that will be affected by a project should be engaged as early as possible during project design. By engaging with the stakeholders early, it may be possible to avoid, mitigate, or decrease the project's impact. It is generally not practical or feasible to engage with every single stakeholder group at every level. Thus, it is important, via stakeholder identification and analysis, to prioritize stakeholder groups based on the project phase and strategize how to engage with the various stakeholder groups. The level of stakeholder engagement for each group may be driven by:

- Government regulation or other requirements, such as application of donor safeguards and international standards;
- Level of adverse impact;
- Identification of vulnerable groups;
- Presence of indigenous peoples directly affected;
- Stage at which project development will impact stakeholders;
- Optimal sequence of engagement;
- Past stakeholder information;
- Interests and/or influence of stakeholders;
- Capacity of the stakeholders;
- Potential to enhance or assist with scoping of issues and impacts.⁹

⁹ Adapted from IFC's Handbook for Stakeholder Engagement

http://www.ifc.org/wps/wcm/connect/938f1a0048855805beacfe6a6515bb18/IFC_StakeholderEngagement.pdf?MOD=AJPERES

Developing a *stakeholder engagement plan and strategy* is a useful method to identify the extent and type of participation best suited for each stakeholder category, and to secure and track stakeholder contributions throughout the life of a project. The engagement strategy should describe aspects such as:

- Stakeholder categories and sub-categories;
- Participation tools to use with each sub-category;
- Needed information to be requested from each stakeholder sub-category;
- Timeframe/schedule for stakeholder participation (including follow-up);
- Expected outcome(s) from the public participation process and transparency of outcomes;
- Tracking mechanisms to be used to ensure that all relevant comments and concerns are considered and responded to;
- Alternatives, in case outcomes fail to meet public participation strategy expectations.

WHAT BEST PRACTICES ENHANCE STAKEHOLDER ENGAGEMENT?

Stakeholder engagement can be enhanced by continually reviewing whether the process is accessible, inclusive, and transparent and correcting the process, if necessary. An accessible process communicates information in a way that is easily understood and culturally, religiously, and linguistically relevant. An inclusive process considers all relevant stakeholders, accounting for vulnerable groups and gender. A transparent process is one in which the stakeholders receive timely updates on changes, the progress of the project, and how their feedback may or may not have been incorporated into the project development process. In some instances, stakeholder engagement can lead to problems such as land speculation, conflict, hoarding of resources, delays, political instability, etc, and awareness of external effects of stakeholder engagement is important. Best practices for ensuring the accessibility, inclusivity, and transparency of the stakeholder engagement process are summarized in Table 3 and described further below.

TABLE 3. BEST PRACTICES¹⁰

STAKEHOLDER ENGAGEMENT SHOULD...	BEST PRACTICES IN CONDUCTING STAKEHOLDER ENGAGEMENT INCLUDE...
<ul style="list-style-type: none"> • Adapt to context • Inform proactively • Use appropriate communication styles and customs • Be inclusive and equitable • Promote mutual respect and understanding • Promote cooperation and consensus-building • Report back to stakeholders on how their input contributed to decision-making 	<ul style="list-style-type: none"> • Initiate early and sustain throughout process • Focus on negotiable issues • Support participants • Plan around resource demands on stakeholders • Be open and transparent • Adjust context to social organizations • Establish credibility and a reputation for ethical behavior

Act within cultural norms: All aspects of the stakeholder engagement process—invitations to participate; the type of participation; the invitees; conduct during meetings; and the conclusion to a public participation process—should be done within accepted customs.

¹⁰ IAIA. 2008. Adding Value to the EIA Process through Stakeholder Engagement and International Peer Review. http://www.iaia.org/iaia08perth/pdfs/concurrentsessions/CS2-3_community_Dray.pdf

Timing is key: Early consideration of the public’s input can result in time and cost savings, especially where alternatives and potential impacts are identified early on in the project design process.

Budget adequately for stakeholder engagement costs: The stakeholder engagement budget often will need to include expenses for transportation, per diems, tributes, workshops, meetings, photocopying, radio announcements, and translations.

Provide materials in local languages: Material may have to be printed in several different languages and may have to meet various levels of complexity to be accessible to all comprehension levels. Where illiteracy is high, pictures, plays, and/or radio segments may provide information more clearly than text.

Effectively facilitate the participation process: Facilitating the process does not involve speaking for participants or making assumptions about what might be best for them, but rather guiding discussions via semi-structured group exercises so that they generate the most useful input from and for all participants.

Set reasonable expectations: Stakeholder engagement processes can generate significant feedback than anticipated and/or input beyond the scope of the project and build expectations—some of which will be unmet—for both project proponents and stakeholders. Set expectations clearly by informing participants that input will be used to evaluate impacts of a project with the intention of improving its design and management; but that this is not a guarantee that all their concerns will be met within the EIA context. Project design teams should seek to enable these concerns to be addressed by reaching out to other organizations or donors.

Be transparent in results: Stakeholder comments and issues should be tracked; responses to comments should be compiled and available to the stakeholders; and those who brought up the concern should be notified of the outcome. When the public participates in a decision making process, taking time away from their regular responsibilities, they expect, and courtesy requires, that they are informed about how their inputs are being used. Tracking and responding to all inputs ensures that all participation methods used contribute to the relevance and reliability of the assessment. Stakeholder comments can be summarized in databases or other documents and disseminated on a regular schedule to maintain transparency. As always, this should be done in a culturally appropriate manner.

STAKEHOLDER ENGAGEMENT IN USAID ENVIRONMENTAL PROCEDURES

WHEN SHOULD STAKEHOLDER ENGAGEMENT OCCUR IN THE CONTEXT OF REG. 216?

The preparation and implementation of certain IEEs requires very detailed analysis, including field work and detailed mitigation and monitoring measures or plans to address potential adverse impacts. Preparation of these types of IEEs can benefit greatly from stakeholder participation and engagement, which may help the IEE preparer identify the reasonably foreseeable effects on the environment, as well as provide many of the other public participation benefits described above.

It is up to the Team Leader, project design team, Contracting Officer's Representative (COR) or Activity Manager, IEE preparer, and Mission Environmental Officer (MEO) to determine the need for and extent of stakeholder engagement in an IEE. The following should be taken into account when making this determination:

- If the likely outcome of an IEE is clearly a Negative Determination or a Categorical Exclusion, public participation may be unnecessary.
- If the IEE recommendation is likely a Negative Determination, but more information is needed to build confidence in this decision, public participation should be considered as one means of obtaining additional information needed to make a sound recommendation.
- If an EA, PEA, or EIS is required, public participation should be part of the IEE preparation process.

Stakeholder engagement is an integral step in EA preparation (including programmatic, sectoral, and strategic EAs), and is required by Reg. 216, but the extent and type of participation is not prescribed; the process is dynamic and will often evolve as the process proceeds. Records of stakeholder engagement plans and strategies and consultations should be included in annexes of the EA or PEA.

WHAT DO USAID'S ENVIRONMENTAL PROCEDURES (REG. 216) SAY ABOUT STAKEHOLDER ENGAGEMENT IN THE ENVIRONMENTAL REVIEW PROCESS?

INITIAL ENVIRONMENTAL EXAMINATIONS AND REQUESTS FOR CATEGORICAL EXCLUSIONS

USAID's Environmental Procedures (22 CFR 216) require the preparation of an Initial Environmental Examination (IEE) or a Request for Categorical Exclusion (RCE) for all new projects, programs, or activities authorized by USAID and substantial amendments and extensions to ongoing projects, programs, or activities (unless the activity is exempted (22 CFR 216.2(b))). Stakeholder engagement is not explicitly required in the preparation of the IEE or RCE. It is however, a best practice to include stakeholder engagement when preparing complex IEEs.

ENVIRONMENTAL ASSESSMENTS

A Positive Determination from an IEE means that an Environmental Assessment (EA) must be prepared. Three stages of the EA process involve stakeholder engagement: Stage 1: Scoping, Stage 2: Preparation and Review, and Stage 3: Monitoring.

STAGE 1: SCOPING

The first step in conducting an EA is the scoping process (22 CFR 216.3(a)(4)) during which Reg. 216 requires stakeholder engagement. The scoping process, which should begin early in the process but no later than the onset of project design, is often the first opportunity the stakeholders have to comment on, be involved in, and have their opinions considered as part of the decision making process for development projects.

The U.S. Council on Environmental Quality (CEQ) states that scoping is intended to ensure that problems are identified early and properly studied, that issues of little significance do not consume time and effort, and that the resulting document is thorough and balanced, reducing delays. CEQ guidance also states that scoping is an extremely valuable aid to better decision making that promotes confidence where significant issues and all reasonable alternatives are identified.

The Reg. 216 EA scoping process results in a written document (the “Scoping Statement”). 22 CFR 216.3(a)(4)(i) states that, “persons having expertise relevant to the environmental aspects of the proposed action shall also participate in this scoping process.” Participants may include, but are not limited to, “representatives of host governments, public and private institutions, the AID Mission staff, and contractors.” International best practices recognize the importance of early engagement with local communities, indigenous peoples, and individuals who may be impacted by the proposed project.

The Bureau Environmental Officer (BEO) may circulate the Scoping Statement to other U.S. Federal agencies for comment, which allows the other government offices and the public (such as affected Federal, State, and local agencies, any affected indigenous peoples and local communities, the proponent of the action, and other interested persons) to participate.

STAGE 2: PREPARATION AND REVIEW

22 CFR 216.6(a) states that the purpose of an EA is to provide USAID and host country decision makers with a full discussion of significant environmental effects of a proposed action and its alternatives so that the benefits can be weighed against adverse effects. The analysis of alternatives allows for consideration of benefits and impacts to select options that best balance benefits against environmental impacts, costs, and feasibility. Stakeholders are often very knowledgeable about the environmental and social baseline data and can assist in identifying project alternatives. According to 22 CFR 216.6(b), during EA preparation, USAID should collaborate in obtaining data, conducting analyses, and considering alternatives to help strengthen awareness and capacity. To the maximum extent possible, stakeholder engagement is called for in development of the EA.

22 CFR 216.6(e) states that for EAs, consultation will be held between USAID and the host country government in the early stages of preparation and on the results and significance of the final EA before the project is authorized. In addition (22 CFR 216(e)(2)), states that Missions will encourage the host country government to make the EA available to the general public.

STAGE 3: EA MONITORING

According to 22 CFR 216.3(a)(8), to the extent feasible and relevant, EAs should include measurement of any changes in environmental quality during implementation, and USAID is to formulate systems in collaboration with the host country to monitor impacts during the life of the project. Reg. 216 recognizes that to formulate an effective and realistic environmental monitoring plan, stakeholder engagement is necessary. While the type and extent of participation is not stipulated by Reg. 216, participation may cover any and all of the mitigation monitoring actions. For example, public officials and community members may be informed that a monitoring plan exists, and that impacts will be tracked throughout the life of the project; or officials and community members can be involved more deeply in the development of a monitoring plan and empowered to implement the monitoring plan and make decisions about monitoring plan results.

PROGRAMMATIC, SECTORAL, AND STRATEGIC EAS

Public participation and stakeholder engagement during preparation of these documents is the same as specified for an EA above.

ENVIRONMENTAL IMPACT STATEMENT

An Environmental Impact Statement (EIS) is a highly complex document, requiring a greater degree of consultation and significant expertise to prepare than for IEEs. Reg. 216 requires that an EIS be prepared when agency actions significantly affect: the global environment or areas outside the jurisdiction of any nation (e.g., the oceans); the environment of the United States; or other aspects of the environment at the discretion of the Administrator. Discussion of public participation for the EIS is not covered in this fact sheet.

WHAT LEVEL OF STAKEHOLDER ENGAGEMENT SHOULD BE PURSUED IN THE IEE/EA PROCESS?

The level of stakeholder engagement is at the discretion of the Team Leader, AOR or COR or Activity Manager, IEE preparer, and MEO. There are no standard rules in USAID regulations regarding the stakeholder engagement process. However, stakeholder engagement should be sufficient to help make an informed decision and build confidence based on the widest range of views. The following are a few concepts to keep in mind when determining the extent and type of participation:

- Refer to international best practice on stakeholder engagement processes.
- Consider what style of engagement is most appropriate for the project and the context (e.g., information, consultation, collaboration, meeting type, or empowerment).
- Follow host country requirements for public participation in the environmental review process. Most countries in which USAID works have an EIA framework, many of which are analogous to the reviews done by USAID under Reg. 216 (e.g., a preliminary review for all activities, and a more detailed review for activities that are expected to have environmental impacts).
- Be guided by local customs and cultures, and the specific conditions in the area(s) of interest. For example, public meetings might work well in one locale, whereas notices in newspapers requesting comment might work best in another. It may be critical to include local people on the scoping team or during EA/PEA preparation to help ensure local customs and cultural factors are taken into account, and in selecting alternatives and mitigation and monitoring measures.
- Consider what information is needed from the public to help make informed decisions, how to best obtain that information, and which participation tools will be most useful to obtain the needed input.

FREE, PRIOR, AND INFORMED CONSENT (FPIC)

FPIC is viewed as one important tool for protecting indigenous peoples universally recognized rights to land, natural resources and intellectual property. FPIC requires that indigenous peoples and local communities be adequately informed about projects that affect their lands in a timely manner, free of coercion and manipulation, and should be given the opportunity to approve or reject a project prior to the commencement of all activities.

FPIC has recently been re-affirmed as a standard practice for engagement with indigenous peoples, both at the UN General Assembly and at the World Bank; in particular, the Outcome Document from the 2014 special session of the UN General Assembly, the World Conference on Indigenous Peoples, in which the world's governments made commitments to promote, respect and protect indigenous peoples' rights. While USAID does not currently have an indigenous peoples policy, international best practice often relies upon the principles of FPIC to guide engagement for activities that may impact indigenous peoples. FPIC requires consent of the affected indigenous peoples, while stakeholder engagement is a process for participation and input.

Stakeholder engagement should proceed with an understanding of the indigenous peoples' context including their governance institutions; practices; customary rights to self-determination; their spiritual and cultural heritage; their historical discrimination; their unique, and at times, vulnerable status; their recognition under international law, as well as any special legal status under national legislation/policy.

RESOURCES

Baker, Linda. A Communications Strategy for the Engagement of Local Communities and Civil Society in Environmental Assessments in Southern Africa. SAIEA. Windhoek, Namibia. November 2003.

Beierle, Thomas C. Public Participation in Environmental Decisions: An Evaluation Framework Using Social Goals. Resources for the Future. Washington, D.C. November 1998.

Dougherty TC and Hall AW. 1995. Environmental Impact Assessment of Irrigation and Drainage Projects. FAO Corporate Document Repository. <http://www.fao.org/docrep/V8350E/v8350e06.htm>

U.S. Environmental Protection Agency (EPA). 2001. Stakeholder Engagement and Public Participation at the US EPA: Lessons Learned, Barriers, and Innovative Approaches. <https://www.epa.gov/international-cooperation/public-participation-guide-introduction-public-participation>

Forest Carbon Partnership & UN-REDD Programme. 2012. Guidelines on Stakeholder Engagement in the REDD+ Readiness with a Focus on the Participation of Indigenous Peoples and other Forest-Dependent Communities. http://www.un-redd.org/Stakeholder_Engagement/Guidelines_On_Stakeholder_Engagement/tabid/55619/Default.aspx

International Association for Impact Assessment (IAIA). 2008. Adding Value to the EIA Process through Stakeholder Engagement and International Peer Review. http://www.iaia.org/iaia08perth/pdfs/concurrentsessions/CS2-3_community_Dray.pdf

International Finance Corporation (IFC). 2012. Performance Standard 1, paras 25-36 and associated Guidance Note 95-113. See also Performance Standard 2 on Labor and Working Conditions and Performance and Standard 7 on Indigenous Peoples
http://www.ifc.org/wps/wcm/connect/c8f524004a73daeca09afd998895a12/IFC_Performance_Standards.pdf?MOD=AJPERES

IFC. 2007. Stakeholder Engagement: A Good Practice Handbook for Companies Doing Business in Emerging Markets.
http://www.ifc.org/wps/wcm/connect/938f1a0048855805beacfe6a6515bb18/IFC_StakeholderEngagement.pdf?MOD=AJPERES

National Environmental Policy Act (NEPA) of 1969. <http://www.eh.doe.gov/nepa/index.html> NEPA establishes a national policy for the environment, provides for the establishment of a Council on Environmental Quality, and other purposes.

Organisation for Economic Co-operation and Development (OECD). 2015. Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractives Sector. <http://www.oecd.org/daf/inv/mne/OECD-Guidance-Extractives-Sector-Stakeholder-Engagement.pdf>

Wilcox D. 1994. The Guide to Effective Participation. www.partnerships.org.uk/guide/stance.htm

Wood D. 2004. Introduction to public participation and outreach in the energy sector; Taking power: social dynamics of the Energy Sector (white paper) http://pdf.usaid.gov/pdf_docs/PNADB312.pdf

World Bank Participation Sourcebook. See <http://www.worldbank.org/wbi/sourcebook/sbhome.htm>

World Bank Inspection Panel. <http://web.worldbank.org/WBSITE/EXTERNAL/EXTINSPECTIONPANEL/>