

DUMMY STAKEHOLDER ENGAGEMENT PROCESS/Framework FOR TDB

The project is being implemented under OP 4.03. As such, TDB has a working ESMS that includes a stakeholder engagement framework in the form of External Communication Mechanism (ECM). The TDB ESMS is adequate to guide the ESDD and monitoring of projects financed under ASCENT. TDB has committed to review and update the ESMS based on the Bank's comments and recommendations to the satisfaction of the Bank prior to disbursement of any funds. This has been made a disbursement condition in the ESAP. Below is the ECM excerpt from the TDB integrated ESMS.

SECTION 8: STAKEHOLDER ENGAGEMENT

Stakeholder engagement measures will work pro-actively towards developing and fostering positive relationships between the Client and stakeholders, particularly those directly affected by the project activities. Stakeholder engagement will aim to:

- Provide stakeholders with project information at appropriate times and in accessible forms;
- Communicate planned project phases, developments and changes to all stakeholders in good time (e.g. opening of new operations);
- Involve stakeholders in project decision-making that will affect/influence their lives;
- Enhance stakeholders' capacity to identify unanticipated projects impacts, and to be able to communicate these to the Client such that they can be resolved;
- Assist affected people in adapting to the social and economic changes brought about by the Project through information and participation;
- Ensure that stakeholders can report concerns and grievances easily;

The management of impacts through stakeholder engagement can be divided into two main strategies.

- Proactive engagement where portfolio company goes out to stakeholders to elicit their involvement and to share information in order to address issues that may be of concern prior to their arising. This process is ongoing throughout the project implementation.
- Reactive engagement i.e. responding to concerns or grievances raised by stakeholders in a coherent and predetermined manner. This approach is facilitated through the establishment of a Grievance Procedure as described below.

SECTION 9: DISCLOSURE OF INFORMATION

Disclosure of relevant project information helps Affected Communities and other stakeholders understand the risks, impacts and opportunities of the project. The client will provide Affected Communities with access to relevant information on:

- (i) the purpose, nature, and scale of the project;
- (ii) the duration of proposed project activities;
- (iii) any risks to and potential impacts on such communities and relevant mitigation measures;
- (iv) the envisaged stakeholder engagement process; and
- (v) the grievance mechanism.

SECTION 10: GRIEVANCE PROCEDURE

Stakeholder engagement measures will work pro-actively towards identifying and addressing E&S issues before they become grievances. However, when grievances are reported they need to be addressed in a consistent and verifiable manner as part of the implementation of the ESMS. For this reason a Grievance Procedure needs to be followed to:

- Enable stakeholders to easily identify and report any grievance regarding the project's performance; and
- Ensure that, through a defined process and within a predictable timeframe, stakeholders receive a response and/or resolution to the grievance.

A grievance is when stakeholders report a complaint or what they perceive to be poor performance linked to an operation within a Client company, with the expectation of an explanation, or a change to the activity that has caused the grievance, or redress/compensation.

The Grievance Procedure (Appendix 18) should be followed for all grievances relating to Client companies as a whole, as well as any issues related to any potential resettlement and rehabilitation.

CONCLUSION

TDB recognises that E&S issues should be given early consideration prior to investment (commitment). The foregoing procedures should reduce E&S risk of unexpected impacts and should assist in ensuring the following.

- Ensuring that for each potential deal, TDB is convinced that the E&S assessment and due diligence made during the pre-investment period are accurate to demonstrate the nature and level of risk to make the Bank comfortable to make a decision from an E&S perspective.
- The Client is complying with at least the local and national environmental, social and labour regulations, and with TDB'S ESMS.

- The client must be at least sensitive to the impact of the environment on sustainable development and profitability.

The implementation of this ESMS will ensure that TDB's E&S performance is safeguarded, strengthened, made more effective, brought in line with international best practice and ensure adherence to lenders requirements.