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Community Engagement Handbook

for Chinese International Contractors

Trial Version

Developed by:



商道縱橫
Syntao - Sustainability Solutions



清华经管学院
Tsinghua SEM



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for Chinese International Contractors

(Trial Version)

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Institution Profile



The Shanghai Pudong New Area CCM CSR Promotion Center (CCM) was established in 2015 on the basis of the China CSR Map (CCM) initiated by SynTao and a number of other institutions. Since its launch in 2006, CCM has been committed to facilitating a better-informed understanding of CSR in China both at home and abroad by introducing Chinese enterprises' practices to the world. CCM launched the CRO (Chief Responsibility Officer) Forum in 2010, a platform dedicated to promoting communication among industry experts on social responsibility. It has so far organized over 100 forums in Beijing, Shanghai, Guangzhou, Shenzhen, Chengdu, and other cities, involving the participation of hundreds of CSR managers. In the future, CCM CSR Promotion Center aims to build up a professional service platform for CSR managers to support their growth.



SynTao Co., Ltd. is a leading independent consultancy in China specialized in corporate social responsibility (CSR), socially responsible investment (SRI), and corporate culture. With a global vision and local practices, the company is committed to providing professional counseling, research, and investment consulting services.

SynTao Co., Ltd. was founded in Beijing in 2005 and currently operates in Beijing, Shanghai, Guangzhou, Chengdu, and Washington, DC.

As one of the first professional CSR consultancies in China, SynTao has garnered a wealth of experience in areas of CSR and sustainable development. The company provides a full range of consulting services such as CSR strategy planning, report consulting/development, stakeholder engagement, public benefit program design/supervision and appraisal, case development, responsible investment, and corporate culture. SynTao aims to join hands with the clients in developing sustainability solutions to promote capacity building while creating value for the society.



Tsinghua University School of Economics and Management (Tsinghua SEM) was established in 1984. With a mission to advance knowledge and cultivate leaders for China and the world, Tsinghua SEM leads China in areas such as talent cultivation, scientific research, social influence, and international communication, and strives to become a world-class school of economics and management.

Tsinghua SEM currently consists of seven departments, namely Accounting, Economics, Finance, Innovation, Entrepreneurship and Strategy, Leadership and Organization Management, Management Science and Engineering, and Marketing, covering the four first-level majors of management science and engineering, business administration, theoretical economics, and applied economics. Tsinghua SEM currently is also home to the secretariat of the China National MBA Education Supervisory Committee.

From 2007 to 2008, Tsinghua SEM received management education accreditation from AACSB, accounting education accreditation from EQUIS, and EQUIS accreditation from EFMD, and is the first business school in mainland China accredited by both AACSB and EQUIS.



China International Contractors Association (CHINCA) is a national industry association formed by Chinese international contractors, labor service companies, engineering investors, and related service providers.

Since its establishment in 1988, CHINCA has been actively performing its duties of providing professional services, communicating members' appeals, and strengthening industry self-discipline, aiming to drive the sound development of its members and promote the rapid and healthy progress of China's international investment and economic cooperation.

CHINCA currently has more than 1,300 members, among which over 1,000 are engaged in international project contracting and investment. This represents over 90% of the total business value of the industry and covers more than 190 countries and regions globally. Every year, more than 60 CHINCA members get listed in the ENR Top 250 International Contractors and several key members among the Fortune Global 500. CHINCA members have undertaken projects in the various fields of transportation, power and electricity, housing, petrochemicals, telecommunications, water conservancy, and industrial and manufacturing construction. They are making a transition from EPC to PPP, BOT, and other project contracting approaches, and are actively involved in international investment projects.

Member companies of labor service cooperation are engaged in dispatching technical and managerial personnel and skilled contract workers outside China in the areas of manufacturing, construction, transportation, medical service, IT services, catering, agriculture, husbandry, fishery industries, etc.

CHINCA members also include service providers on overseas contracting and engineering investment that cover such business areas as machinery and equipment manufacturing, building materials supply, finance, insurance, logistics, transportation, and more.



The Asia Foundation is a nonprofit international development organization committed to improving lives across a dynamic and developing Asia. The Foundation began programming in China in 1979 and opened the resident country office in Beijing in 1994 and the Beijing Representative Office in June 2017. Working with local partners, the Foundation has been committed to a thriving China, to advancing shared goals of expanded opportunity, and to enduring cooperation within Asia and the world.

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Foreword

Transnational operations are intended to help businesses gain competitive advantages from the temporospatial differences in social and economic development—specifically the six major capitals, namely financial capital, manufactured capital, intellectual capital, human capital, social and relationship capital, and natural capital. The frequent flow of production factors and products have brought about close ties between people in developed and underdeveloped countries, which has also exposed multinational enterprises to intensified challenges in terms of labor and environmental standards. The traditional classification of investment risks mainly relies on the dimensions commonly used in macro environment analysis, such as political, economic, social, and technological (PEST), where the risk consequences are calculated using financial measures, that is, the magnitude of loss. Social responsibility risks, however, take a different perspective, with a heightened emphasis on the management of relationships with local stakeholders when making investments. Such non-traditional risks comprising environmental, social, and governance (ESG) factors are a means of business capacity building and in turn affect the financial performance.

A review of the globalization process of multinational enterprises shows that corporate social responsibility is an inevitable outcome of economic globalization, which presents enterprises with ever-greater social responsibility challenges. Throughout the past few decades of globalization, many multinational enterprises have landed themselves in trouble on social responsibility issues. Nike and Wal-Mart, for example, have both encountered social responsibility risks in terms of labor and environment. Informed by the stakeholder theory, one of the cornerstones of CSR theory, community engagement and integration has become an important means for multinational enterprises to manage stakeholder relationships, combat CSR challenges, and guarantee the sustainability of investments and projects in the host countries as they grow global.

As China's "going out" strategy sped up in the 1990s, a growing number of Chinese enterprises have expanded overseas and grown into well-known multinational enterprises. As a result, their CSR performance when making international investments has become a matter of increasing national and international concern, making CSR risk, a non-traditional type of risk, an ever more significant risk in the process of globalization. Driven by the Belt and Road Initiative, both the flow and stock of international investments by Chinese enterprises have registered a steady growth, and more and more major overseas partnership projects, especially infrastructure construction projects, have entered the implementation stage. In this process, enterprises are impacted by a range of factors such as region, culture, language, social and environmental differences, and the international context. This, coupled with the traditional stakeholder engagement model in China that puts administrative license before social license, Chinese enterprises' lack of experience for still being at the initial stage of globalization, and a shortage of labor and financial budget, makes community relationship management a limiting factor for ensuring the sustainability of international investments, as community engagement and

integration is a paramount part of it. The lack of community engagement has caused some projects to halt and some others to fail to start as scheduled after a vast array of human, material, and financial resources have been invested. The list goes on.

The solution to the CSR challenges and risks faced by Chinese enterprises during international investments ultimately lies in community relationship management. By identifying, preventing, managing, and resolving such challenges and risks through community engagement and integration, enterprises can turn them into opportunities for development.

On the global scale, there are already relevant tools and rich practice experience from multinational enterprises with respect to community engagement. However, Chinese enterprises still fall behind regarding its understanding and implementation for reasons like the discourse system. This is why Chinese enterprises are in need of a set of community engagement tools that suit their own discourse system, mindset, and behavior mode when making international investments. Such tools would provide detailed guidance to help them clearly identify and define engagement objectives and select the best means of communication in driving community integration. They will be able to enter into enduring, stable, and mutually reliant relationships with the various stakeholders in the host countries, and push forward the localization of business operations and sustainable globalization and towards the sustainable development of enterprises and communities.

SynTao is a leading professional sustainability consultancy in China with a long-term focus on the practices of Chinese enterprises when making overseas investment and the challenges therein. With a view to bridging the gaps in between, SynTao joined hands with Tsinghua SEM in 2016 to implement research efforts with financial support from The Asia Foundation, and published the *Community Engagement Guideline for Overseas Investment of Chinese Enterprises* (hereinafter referred to as “*Guideline*”) in 2017 in Chinese, English, and Spanish.

SynTao has conducted sharing, training, and communication sessions in collaboration with different sector partners regarding the *Guideline* since its publication over a year ago. Those efforts have made Chinese enterprises better aware of the significance of community engagement in overseas investment and provided instructions for a number of enterprises in their community engagement work overseas. During this process, the project team has also come to learn that enterprises generally hope for a handbook on community engagement that is more targeted, practice-oriented, and elaborate than the *Guideline*. It would have a similar function to a household appliance instruction book or a car manual. Through a more detailed and practice-oriented elaboration of the principles and steps introduced in the *Guideline*, the handbook would be designed to help Chinese enterprises properly manage community relationships, obtain social license, resolve environmental, social, and other kinds of non-traditional risks, and turn social responsibility challenges into opportunities for sustainable development when making overseas investments.

It is based on those considerations that The Asia Foundation Beijing Representative Office offered financial assistance once again in 2017 to support CCM in leading a research team comprising experts

from SynTao, Tsinghua SEM, and CHINCA to develop this *Community Engagement Handbook for Chinese International Contractors* (Trial Version) (hereinafter referred to as “*Handbook*”).

In writing this *Handbook*, the project team investigated the concerns and needs of the various stakeholders including enterprises, governments, scholars, NGOs, investment agencies, and the media regarding the issue of community engagement in overseas investment. Meanwhile, the team sorted through universally recognized means of community/stakeholder engagement, identified social responsibility risks involved in Chinese enterprises’ overseas investment, and conducted case studies on good community engagement practices and typical failures by Chinese enterprises. All those served as the foundation for the first draft of the *Handbook*.

During the consultation stage, it became clear to the project team that anchoring the tools in a specific industry or particular enterprise would make the *Handbook* more targeted and facilitate a more precise understanding of its essence on the part of the users. For this reason, the team selected China’s international contracting industry for the *Handbook* in the end.

One reason for selecting China’s international contracting industry is that it is one of the early “going out” industries and highly representative when it comes to the issue of community relationship management. While Engineering, Procurement and Construction (EPC) rather than investment has been the primary means of “going out” for the industry, the EPC model covers all the segments of construction, including specific design, overall content planning, organizational management implementation, procurement, construction, installation, testing, technical training, and more, all of which are closely tied to the community. The social responsibility risks facing the industry during project operations is no different from those involved in greenfield investment. Moreover, newly emerged features in recent years on the basis of EPC, such as contracting with financing, concession, and in particular equity investment, have pulled international contracting enterprises into the field of direct overseas investment. As the Belt and Road Initiative advances and reaches the deepening stage, many enterprises in the international contracting industry, for instance, Power Construction Corporation of China (PowerChina), China Three Gorges International Cooperation, and China Communications Construction, have grown multivariate and been extending towards both ends of the value chain. They are in the process of transitioning from the traditional business model of project contracting to the high-end model of overseas investment, for instance by participating in greenfield investment in the form of BOT (build-operate-transfer) and PPP (public-private partnership) or managing overseas project operations through M&A (mergers and acquisitions).

Whether it is the traditional EPC model or international contractor participation in greenfield investment with a view to proactively adjusting to national strategy and market situation or to responding to the requests of host countries or proprietors, the project team believes that the overseas business of the international contracting industry is closely related to the community, and community-based social responsibility risks are highly representative of the direct overseas investment in all sectors.

The project team later conducted field investigation with several Chinese international contractors in Laos and the local infrastructure projects that they undertook or invested in to collect from those enterprises and the local communities their opinions and suggestions on the first draft of the

Handbook. Written comments and suggestions were then collected from multiple stakeholders on the revised version, which informed the final draft of the *Handbook*.

The project team discovered during the investigation that a number of excellent Chinese enterprises, especially in the international contracting industry, have made the transition from being passive and closed to being active and open and from targeting single projects to making overall strategy and management system in implementing community engagement efforts overseas. From strategy making to organizational structure and from talent cultivation to crisis management, there is a rich and varied array of highlights in the community engagement work of international contractors. The *Handbook* includes a large number of such practices and provides case studies on relevant community engagement tools.

Out of practical considerations, we have categorized the cases based on the steps and issues of community engagement. However, in reality, the international contracting industry has been pushing community engagement towards an integrated whole both vertically and horizontally, encompassing all areas from strategy planning and management system improvement at the domestic parent company to the coordination at the overseas branches and to the solid implementation at the various project departments, and by doing so promoted the sustainability of their overseas investments. We hope that the concepts and routes for globalization demonstrated in those practices can be a source of inspiration and guidance for other enterprises.

This *Handbook* applies to international contractors with the intention to be or have been involved in infrastructure investment and construction overseas. Moreover, the various stakeholders related to business operations and management, such as NGOs, governments, industry associations, financial institutions, and other types of organizations, can also use it as a reference. Given the practicality of the *Handbook*, it will mainly be used by the management level staff, such as staff in the community management, public relations, or social responsibility departments, as well as management personnel at support departments and the headquarters.

The social responsibility challenges and non-traditional risks involved in Chinese enterprises' overseas investment, which is rooted in community engagement and community relationship management, is a new topic in the course of globalization. What is more, new topics and challenges will keep emerging as investment practices and the international environment develop. This requires the attention and concerted efforts of all stakeholders. It is hoped that all stakeholders will provide timely input regarding the latest practices and ideas in the field, and the project team will continue to update and improve the *Handbook* in the future.

Part I

Overview

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Strengthening engagement with multi-stakeholders in the community is an effective way for Chinese enterprises to take advantage of closer bonds with people to implement and promote policy communication, facility connectivity, trade exchange, and financial flow in the process of overseas investment. It is found in all aspects of the investment process and runs through the entire life cycle of the projects.



1. Understanding of Community Engagement

Community engagement is an important part of an enterprise's interaction with stakeholders. Mismanaged stakeholder relationships will expose enterprises to business and reputational risks, making it necessary to incorporate community relationships into their risk management efforts. When dealing with community relations, it is recommended that enterprises identify, assess, prevent, reduce, and resolve the risks involved in conflicts with the community as soon as possible through the establishment of a sound community interaction mechanism and timely disclosure of information regarding the greatest community concerns. This would help reduce the capital and labor costs resulting from conflicts, downtime, or interference. Therefore, from the risk management perspective, investing time and energy from the initial stage of projects to develop a sound community engagement plan can bring practical benefits to the projects through effective community engagement practices.

It should be noted that community engagement is not the end but an effective means of establishing a sound, long-term relationship with the community, obtaining the social license, and ensuring the smooth progress of projects on the level of communities.

The purpose of community engagement is to enhance mutual understanding and push towards consensus, and thereby resolve potential conflicts between project activities and local communities and involve communities in the enterprises' development. This requires enterprises to realize that there are no absolute best approaches when designing and conducting community engagement activities. Instead, they will need to fully integrate the characteristics of the particular project, such as its nature, location, scale, and development stage, and the needs and characteristics of the local community.

Community engagement activities can be conducted in a variety of formats. What is more important is to acquire long-term and broad social license by establishing enduring relationships with the community through effective engagement. Being blinded by short-term interests (such as efforts to push down compensation standards during negotiations), on the other hand, may make it difficult for enterprises to sustain their local operations.

2. Principles of Community Engagement¹

Equality and Mutual Benefits

Equality and mutual benefits are the basis for community engagement. Mutual respect is required to ensure effective communication between enterprises and local communities. The purpose of such communication is to understand what communities need and respond to their concerns. Enterprises should be active and cooperative, show sincerity, honesty and friendliness; deploy multiple forms of communication in addition to the "emotionless" writing form; and adhere to laws and regulations to avoid providing or accepting bribery.

¹ For more information, please refer to Community Engagement Guideline for Overseas Investment of Chinese Enterprises

Seeking Common Ground While Tabling Differences

Gentlemen seek harmony in diversity. While enterprises and communities may have conflicting positions with respect to the utilization of local resources, the two sides share the goals of achieving a harmonious relationship and win-win results, which are the cornerstone of communication. Enterprises should make best efforts and leverage their capabilities to address or meet the reasonable demands and expectations of communities, protecting the rights of communities to access the shared value and resources. Issues on which an agreement cannot be reached in the foreseeable future, if not crucial or urgent, can be put aside and left to be dealt with when conditions are ripe. It is advisable that enterprises provide community services and activities, such as educational, cultural, sports or health and hygiene activities, as a way of initiating communication and building trust.

Two-way Communication

Since communication is a two-way process that involves interaction between two parties, enterprises ought to get their messages across to target communities effectively and clearly while listening to their opinions, questions, and suggestions. To do just one or neither is not recommendable. They should respond to such inputs in a timely manner and adopt a variety of approaches to make sure that community demands are communicated, listened to, and responded to fully and actively.

Being Consistent

Keep communication consistent. Key messages delivered by an enterprise should be consistent across communication with different groups over different time periods in different occasions; otherwise, the hard-won trust between the enterprise and the community may be seriously undermined. Enterprises need to make sure that their local partners, such as local suppliers, also convey consistent information to communities.

Respecting Local Customs

To ensure proper and effective communication with communities, enterprises must respect local cultures and customs. Taboo topics and behaviors must be avoided. It is suggested that, in addition to Chinese or English, enterprises also use local languages for effective communication, and use local expressions and simplified interpretations of professional terms for easier understanding. Enterprises can increase community engagement by participating in local cultural festivals, religious gatherings or clan gatherings, rather than merely by convening “monotonous” conferences for stakeholders.

Turning Words into Deeds

Enterprises are ultimately assessed by stakeholders based on their actually practical action, which also significantly affect communities’ trust in them. Enterprises should be careful to what they say and do, and fulfill every promise made. Do not hastily make promises that cannot be kept. Enterprises should take actions, instead of just talking, to address stakeholders’ concerns and demonstrate continued improvement. Perseverance is essential. Enterprises should always be patient and sincere, and respond actively in communicating with communities.

3. Ten Elements of Community Engagement Planning

When formulating a community engagement plan, enterprises should take into account the characteristics of the project and the specific conditions of surrounding communities. While there is no one-size-fits-all “template”, a qualified communication plan should include the following 10 basic elements².

- (1) Communications objectives
- (2) Target audiences
- (3) Key messages
- (4) Communications strategies and tactics*
- (5) Budget
- (6) Implementation resources and attribution of liability
- (7) Activity agenda
- (8) Grievance mechanism
- (9) Measurement and evaluation
- (10) Reporting

* Communications strategies may be different as the project phases, issues, or target audiences vary. The desired level of participation should be taken into consideration when planning the communications strategy, which can be chosen from the five levels of participation defined by the International Association for Public Participation listed below.

Table 1. Public Participation Spectrum³

Communications Strategy	Inform	Consult	Involve	Collaborate	Empower
Public Participation Goal	To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.	To obtain public feedback on analysis, alternatives and/or decisions.	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.	To place final decision making in the hands of the public. ⁴
<div> <div>Low</div> <div>High</div> <div>Increasing level of public impact</div> </div>					

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

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

⁴ The Public Participation Spectrum is for reference only, as there is not yet an industry consensus on the understanding of collaboration and empowerment. Companies should think comprehensively about the intensity and performance of engagement and its impact on themselves and their projects. Engagement activities where the public is the final decision-making authority do not necessarily lead to the best performance, as constraints such as limited expert knowledge sometimes prevent them from seeing longer-term benefits, which in itself is a reflection of the value of long-term community engagement. The purpose of community engagement is not just to please the community, but to seek solutions and realize shared growth through communication. Listening to and respecting community opinions without being overly subject to them should be the fundamental position and attitude an enterprise takes in implementing community engagement efforts.

4. Focus Areas of Community Engagement Efforts

Community engagement is a lengthy and continuous process. The two-way communication between enterprises and communities should continue throughout the entire life cycle of projects and key activities should suit the particular project phases.

It takes time to build relationships, so enterprises are advised to start conducting engagement and interaction with the communities from an early stage, for example, the feasibility research or preliminary exploration stage, rather than take actions when problems occur.

The following table lists the focus areas of community engagement activities during the various phases of international contracting. The detailed steps of each activity can be found in [Part 2 Steps of Community Engagement].

Table 2: Focus Areas of Community Engagement Activities during the Various Phases of International Contracting

Project phase	Focus areas
Conception and feasibility research phase	<ul style="list-style-type: none"> › Conduct community background checks. › Study the administrative licensing terms regarding policy, laws & regulations, and lenders. › Identify stakeholders and their material needs, study the social licensing terms regarding cultures, religions, social norms, etc., and identify relevant risks. › Include Environmental and Social Impact Assessment (ESIA) in due diligence.
Launch phase	<ul style="list-style-type: none"> › Form a community engagement team. › Develop community engagement strategy, identify focus areas for engagement in the current phase, such as transparency of project information. › Choose suitable community engagement tools.
Initial phase	<ul style="list-style-type: none"> › Identify key community stakeholders. › Identify community needs and risks, and propose solutions. › Formulate community engagement plans. › Establish relationships with community stakeholders. › Identify information that requires communication and negotiation with the community (such as demolition, land requisition, site selection, employment, and environmental impact assessment). › Optimize the grievance procedures.
Design, procurement, and construction phase	<ul style="list-style-type: none"> › Continuously follow up and adapt to changes in community needs. › Respond timely to community feedback. › Manage sub-contractors.
Pilot run, inspection for delivery, and project close phase	<ul style="list-style-type: none"> › Assess the completion rate of community engagement activities. › Develop summary, report, and advice.
Operational phase ⁵	<ul style="list-style-type: none"> › Re-identify key community stakeholders in the current phase. › Re-identify community needs and risks in the current phase, and provide solutions. › Continuously follow up and adapt to changes in community needs. › Respond timely to community feedback.

⁵ As stated in the foreword, a growing number of Chinese international contractors have made the transition from the single Procurement and Construction (EPC) model to investment. Given that greenfield investment is a new area for international contractors, social responsibility risks during the operational phase deserve greater attention.

5. Definition of Terms

Chinese enterprises

Chinese enterprises in this *Handbook* refers to for-profit legal entities registered in the People's Republic of China and foreign companies affiliated to or wholly owned by these legal entities.

Community

In the physical sense, a community is a relatively concentrated group of people living in the same geographical area who have durable relations bound by common needs, interests, beliefs or values.

In the psychological sense, a community refers to people who share a sense of identification, public awareness, and a feeling of unity and are committed to a common goal.

Communities can overlap or be separate in its physical and psychological senses.

At the same time, a community can have both a broad and narrow sense. In the broad sense, a community for Chinese enterprises operating overseas includes the government, the public, the media, the academia, non-government organizations (NGOs), and religious groups in the host country. Community in its narrow sense refers to the above-mentioned stakeholders at the project location only. Community in this *Handbook* is specific to a business and project and therefore in most cases used in its narrow sense.



Communication

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

Communication is more than exchange of information. It is a dynamic process that highlights the evolution of social relationships between two parties.

Stakeholder

Any individual or group that can affect or be affected by an enterprise's decisions or activities, either positively or negatively, is considered a stakeholder.⁶ The relationship between an enterprise and its stakeholders can be formal or informal. The best criterion for judging the relevance or significance of an interest is the relationship between the stakeholders and the enterprise's sustainable development, the degree of which determines the differences in the level of engagement.

Social license

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

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



⁶ According to publications such as ISO26000 and IFC's Performance Standards on Social and Environmental Sustainability.

Part II

Seven Steps of Community Engagement

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Step 1.

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

1.1 Establishing a Community Engagement Team

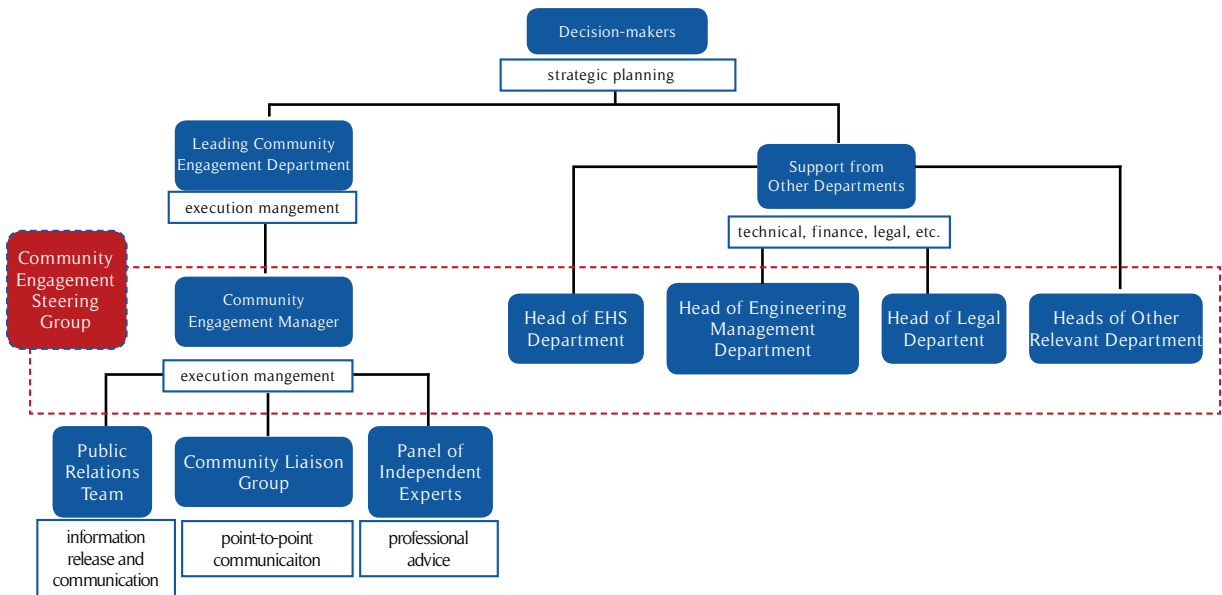
Rationale

The management should include community engagement into the corporate decision-making process and integrate community engagement strategies into their overall overseas investment strategies. Capable enterprises should set up a designated department for community engagement led by designated staff commonly known as the community manager.

In addition to leading the Community Engagement Department, the manager should also identify a senior manager from among company decision makers who publicly endorses community engagement activities of overseas projects. The decision-making body should communicate the community engagement strategies to other departments. The manager and other department heads involved will then work together to build a community engagement steering group to help secure effective support for successful community engagement such as technical, labor, and financial resources, and important external information.

While it is necessary to set up designated community engagement and liaison positions, enterprises should be aware that community engagement ought to be conducted by all employees and at all positions. Employees working at the project site or at the procurement or human resources department all engage with the community frequently and undertake a stronger and more substantive role of day-to-day communication. Besides efforts to enhance the awareness and capabilities of all employees in community engagement, both full-time and part-time community engagement departments and personnel should work closely with different departments and the community and clearly recognize the division of rights and duties in this process.

Enterprises can also hire a local professional community engagement agency based on a thorough investigation. Local enterprises are more familiar with the local culture, laws, and customs, and their advantages in language, religions and culture make community engagement an easier job. At the same time, intensified management of those enterprises should be implemented to avoid possible collusion between employees and the community that may lead to an information leak.

Figure 1: Ideal Community Engagement Team Organization Chart

Action Points

- › Get support from decision makers

There ought to be at least one senior manager at the headquarters who publicly endorses community engagement in overseas projects in the form of company documents, management instructions, or leader speeches.
- › Identify the department that leads community engagement work

The Corporate Social Responsibility Department can often lead the company's community engagement efforts. In its absence, the Liaison, Human Resources, or Public Affairs Department can also be put in charge.
- › Establish the community engagement steering team

Whichever department put in charge of leading community engagement work should remain in close contact with other departments and help deepen their involvement.

Identify team members, including but not limited to:	Specify team responsibilities, including but not limited to:
<ul style="list-style-type: none"> › Community engagement manager › Head of legal, marketing, human resources, business development, project management, EHS, and other departments › The head of project can be appointed as leader of the steering team 	<ul style="list-style-type: none"> › Develop a communications strategy › Manage budget › Provide training for staff participating in local community engagement activities › Provide project operations guidance › Manage external partners

› Build a full-time/part-time community engagement team

Set up full-time positions, including but not limited to: ⁷	Specify team responsibilities, including but not limited to:	Define the scope of authority of each position, including but not limited to:
<p>› Manager of Community Engagement</p> <p>Appoint a specific person to be the head of community engagement, which shows the importance of the position while facilitating more effective strategy implementation and activity coordination.</p> <p>› Panel of Independent Experts</p> <p>The panel can be made up of external experts working at local academic institutions or civil society organizations (CSOs) who are familiar with local social structure and conventions or interested in community engagement and capacity building. They can be mainly involved in community background research and conflict mediation.</p> <p>› Public Relations Team</p> <p>The team conveys information to external stakeholders (including but not limited to local community, media, NGOs, and government) on behalf of the enterprise, and helps with mediation when conflicts occur.</p> <p>› Community Liaison Group</p> <p>They engage in point-to-point interaction with community residents on behalf of the enterprise to convey corporate messages while passing on feedback to the engagement team and company management.</p>	<p>› Internal liaison</p> <p>› External liaison with the community</p> <p>› Organize and implement partnership projects with the community</p> <p>› Community engagement performance appraisal, recording, and reporting</p>	<p>› Internal decision-making process and the role of each position therein</p> <p>› Scope of decision-making authority of each position</p>

Dos and Don'ts

- › The size of the community engagement team should be proportional to that of the project and the communities involved. As the project and community engagement activities scale up, the team should also expand.
- › If the community engagement position is part-time, clearly define its content and evaluation criteria in the job description to avoid turning it into a “volunteer” job.
- › Mainly hire local people as community liaison officers as it helps better localize the engagement activities and makes people more open to participation.
- › Pay attention to the gender ratio when recruiting community liaison officers, as some female residents may find it easier to fully express their opinions to female staff.
- › Community liaison officers should be stationed in the community, where permanent contact points should be established. This is a convenient way for them to engage residents who regularly visit the village or live nearby in informal conversation and reduce fears.
- › Specify the scope of decision-making authority of community liaison officers. Specify matters which require permission from senior management. Clarify the types of conflicts that are better resolved by the officers on the spot.
- ✗ **[DON'T]** Community liaison officers should avoid paying uneven attention to the needs of different community groups, which may create new tensions or conflicts.

⁷ Stakeholder Engagement: A Good Practice Handbook for Companies Doing Business in Emerging Markets, International Finance Corporation (IFC) of the World Bank Group, 2007

[Tool 1.1-1] Role Profile Template: Community Engagement Manager^{8 9}

A Community Engagement Manager is the core person for kicking off community engagement activities and should possess certain project management and communication skills. The following job description can be used as a template for recruiting community engagement managers.

- › Main responsibilities:
Develop, manage, and communicate community engagement strategies. Specifically:
 - › Support the enterprise's overall CSR strategy and work to enhance corporate reputation;
 - › Communicate with stakeholders to shape and enhance the enterprise's brand image;
 - › Social benefits, diversified cooperation, employee participation.
- › Specific duties:
 - › Develop and deliver a coherent strategy for community engagement activities that builds the enterprise's impact in society and reputation among stakeholders in the country or region where the investment or project is located and supports the enterprise's business needs.
 - › Build close connections to senior management to identify and maximize positive community engagement opportunities and to identify and manage any potential risks.
 - › Provide consultancy on community engagement activities throughout the location of investment or project where appropriate.
 - › Undertake day-to-day management of the Community Engagement team and wider Community Involvement network in [country/region/business unit].
 - › Appoint, review, and manage all external community engagement support. Lead on relationships with key local NGOs and community representatives.
 - › Evaluate all community engagement activities, including their impact on the development of the enterprise's overall corporate responsibility approach, brand, and reputation in the location of the investment or project, with a special emphasis on demonstrating measurable return on investment (ROI) and tracking success for similar businesses in [respective countries/region/market].
 - › Represent the enterprise at appropriate external community engagement activities.
 - › Share community engagement knowledge and awareness internally to fully enlighten other relevant departments on the value of community engagement and good engagement practices, and keep all departments at the project level on the same page regarding community engagement.
- › Skills requirements
 - › Business experience¹⁰
 - Graduate or similar level of academic experience preferred (undergraduate and similar academic backgrounds for local applicants)
 - Demonstrated understanding of the not-for-profit sector, experience in community engagement/ corporate responsibility and in the community/charitable arena would be an advantage
 - Comprehensive understanding of the entire business
 - Budget management experience
 - Project management experience
 - Good strategic thinker with strong analytical skills
 - Openness to and understanding of issues beyond the core business

⁸ In practice, the position of Community Engagement Manager is often undertaken by CSR managers or PR managers besides their original roles, and the duties also extend beyond community engagement.

⁹ Lakin N, Scheubel V. Corporate community involvement: The definitive guide to maximizing your business' societal engagement [M]. Routledge, 2017.

¹⁰ This is a description of the business experience of an ideal community engagement manager. In practice, community engagement managers or community liaison officers of Chinese international contractors are often part-timed by frontline managerial or technical personnel stationed abroad, so perfection should not be demanded. This makes it even more feasible and urgent to equip the above-mentioned staff who already have field experience with community engagement skills. Those ideal expectations are not to be taken as a prerequisite for recruitment, but point to knowledge and skills that are to be continuously acquired through community engagement practices. This heightens the importance for other members of the community engagement steering group to have rich practical experience in community engagement which complements the managers' lack thereof. Under unideal conditions, community engagement managers should take the initiative to learn and seek help from team members who have such experience.

- › Relational/personal skills
 - Drive, enthusiasm, and determination
 - Passionate belief in the importance of corporate responsibility and the social dimension of the brand
 - Team management skills
 - Strong communicator, written and verbal
 - Appreciation of market, industry, customer, and stakeholder dynamics
 - Empathy with internal and external stakeholders
 - Stakeholder management skills

Case 1.1-1

PowerChina Nam Ou River Hydropower Project Migration Team

The PowerChina Nam Ou River Hydropower Project set up a special migration team to ensure the success of migration. As a bridge between the local government and the villagers, the team played a crucial role in the resettlement process. The team leader has been responsible for the migration work since the launch of the project and traveled through the villages large and small along the Nam Ou River in Luang Prabang and Oudomxay over the past few years. Meanwhile, he has mastered the local dialect through observing and memorizing and is able to converse comfortably with local people.

To improve engagement with the local community, the migration team also hired Erik, a local villager from Bak-Ou County, where the Grade I hydropower station is located, to take charge of the migration work. Eric, who had returned home for this job, is deeply trusted by his fellow villagers. They would always sit down with Eric for a chat before getting into contact with the enterprise, which made Eric feel like he had become the bridge between the two parties.

At last, more than 200 households affected by the Nam Ou River Grade I hydropower project in Bak-Ou County agreed to sign the migration agreement. This is inseparable from the efforts of the migration team.¹¹

Case 1.1-2

CNOOC Uganda Kingfisher Oilfield Project Community Engagement Team

When China National Offshore Oil Corporation (CNOOC) first initiate the Kingfisher oilfield project in Uganda, it set up the Community Relationship Department. The company has hired community liaison officers and established a professional community relationship management system to ensure all the necessary information is available to the communities where its operations are located. The primary stakeholders include local people, local governments of all levels, local NGOs, and the Bunyoro Kitara Kingdom. CNOOC's Community Relationship Department in Uganda has established the community relationship management process through the company's CSR Manager-Community Liaison Officer mechanism and established a permanent presence in Hoima by setting up an office there.

¹¹ Source: <http://companies.caixin.com/2017-05-24/101094427.html>

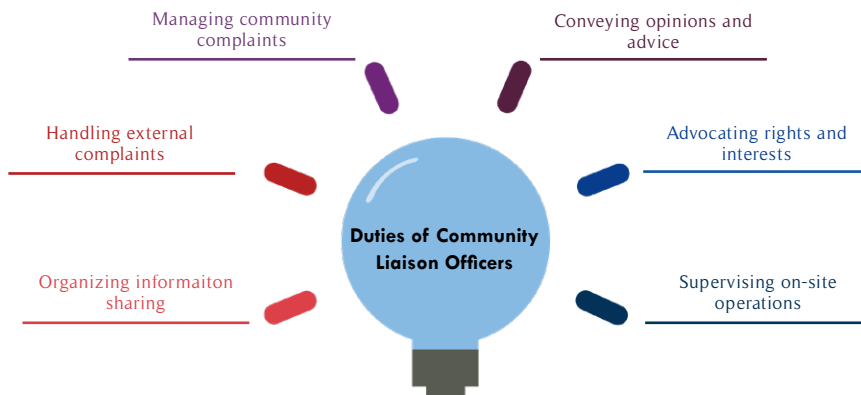


Figure 2: CNOOC Uganda Kingfisher Oilfield Project Community Engagement Team Organizes Regular Meetings on Community Engagement

Community residents near the oilfield can fully exercise their rights as key stakeholders through those information exchange meetings. Source of image: Uganda Startup, CNOOC WINWIN Magazine, December 2014 issue.

According to CNOOC Uganda, community stakeholders share the following characteristics: large population, decentralized interests, liability to impact from business operations, tendency to generate collective behavior, and many and varied appeals. Moreover, the stakeholders are more concerned about their right to know, supervise, participate in, and benefit from CNOOC's Kingfisher oilfield in Uganda. Therefore, CNOOC Uganda Ltd. appointed local employees as community liaison officers dedicated to community engagement. Their main duties include communication and interaction, opportunity sharing, complaints resolution, skills enhancement, and expectation management.

Figure 3: Duties of CNOOC Uganda Kingfisher Oilfield Project Community Liaison Officers



The two employees currently serving as community liaison officers are university graduates from Uganda's local universities. Compared with other local employees, their biggest advantage is language. The Kingfisher oilfield project is located in a region where there have been numerous tribes in history and borders the Congo from across the lake, creating many different dialects – most of the Ugandan employees don't understand these dialects at all. Meanwhile, the community liaison officers can speak or understand three to four local dialects on top of the official language of English, Swahili, and Luganda. Although the community liaison officer is not a senior level position, it serves as a bridge between CNOOC Uganda and the local community. To avoid possible conflicts, CNOOC has also designed a set of community relationship rules setting out the proper approach to community stakeholder engagement for those who may work with the community.

1.2 Role of Business Department in Community Engagement

Rationale

Designated community engagement staff are not the only ones engaging with the community during project development. To the community, the behavior of employees of all levels and under all circumstances represents the attitude of the enterprise itself. To truly integrate community engagement with daily business activities would require all employees to have an awareness of engaging with the community. Each business unit needs to understand community engagement strategies and avoid regarding community engagement to be exclusive to community liaison officers.

The best way to encourage departments to participate in community engagement is to show them how good community relationships can drive business growth. This is why community engagement organizers should also consider the positive impacts of community engagement from the standpoint of the other departments. This can be done by identifying the connection between stakeholder engagement and social performance and its impact on corporate reputation and project outcomes so as to encourage other departments to support community engagement efforts.

Action Points

- › Identify ways for other departments to participate in community engagement
 - › Identify and analyze the positive and negative impacts of the work of each department on the community
 - › Identify and analyze what support is needed from the departments
 - › Identify and analyze circumstances under which the staff of each department will engage with the community and which groups to engage in.
 - › Develop a specific plan of department involvement in community engagement based on the above
- › Provide community engagement training for staff/heads of other departments¹²
 - › Introduce the basic concept of community engagement, including but not limited to:
 - What is community engagement
 - The purpose of conducting community engagement
 - › Explain the need for implementing community engagement activities and its benefits to the enterprise and particular departments, including but not limited to:
 - Benefits of community engagement activities to the enterprise
 - Benefits of community engagement activities to particular departments
 - Possible outcomes of skipping community engagement activities
 - › Explain the role of department/personal behaviors, including but not limited to:
 - The enterprise's overall plan and procedures
 - Specific duties of participating departments/individuals
 - Ways for departments/individuals to engage with the community

¹² Environmental and Social Management System Implementation Handbook, International Finance Corporation (IFC) of the World Bank Group, 2015

Dos and Don'ts

- › Keep information consistent. Since the staff of all departments has the chance to engage with the community or other stakeholders, information conveyed from within the enterprise to external stakeholders in this process should remain consistent. Otherwise, it may confuse stakeholders while also harming the enterprise's credibility.
- › Resolving problems with the communities sometimes calls for more than just engagement with the residents. For example, when it comes to land requisition and relocation, support from the government and other social institutions is also needed. Other departments of the enterprise should also leverage their external resources to provide necessary support for the community engagement team.
- x [DON'T.] Community engagement should not be viewed as exclusive to the few community liaison offers. Even without full-time community engagement posts, all employees should develop awareness to engage with the local community.

[Tool 1.2-1] Ways for Various Departments to Participate in Community Engagement

When the department leading community engagement efforts seeks cooperation within the enterprise, it may not get the full support of the other departments from the outset. In this case, besides stressing the strategic significance of such work for the enterprise as a whole, the department should make sure to specifically elaborate on its positive impacts for those departments as well as ways for them to participate. A record sheet should be created to track the internal communication meetings, and the following table can be used as a reference.

The table lists only the possible scenarios of internal communication for some departments. It is to be used as a reference and by no means suggests that departments not listed here need not participate in community engagement activities. Users should tailor the table to specific projects.

Table 3: Ways for Various Departments to Participate in Community Engagement

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

Case 1.2**PowerChina Provides Entrance Training for Chinese Employees in Laos**

Since it entered Laos, PowerChina has instilled in its Chinese employees the importance of community engagement through entrance training. The training placed a special emphasis on respecting local laws and regulations, cultures and religions, and Lao employees. The company also provided a Lao language training course to help its Chinese employees communicate properly with local people, and organized awareness campaigns on safety, flood season, environmental protection, and wildlife protection that suited the characteristics of Laos. The company also took the initiative to become a part of local communities and create a positive corporate image by entering its Chinese employees in local traditional activities and organizing social gatherings on festive occasions. The company has also hired a large number of local employees as translators, immigration assistants, drivers, administrative and support staff, etc. All those efforts helped promote mutual learning and interaction and strengthen engagement with the community.

Step 2.

Grasping the Overall Situation: Steps of Community Background Research

2.1 Reference Method for Conducting Community Background Research

Rationale

The differences in culture and customs mean different priorities, hence different approaches, when conducting community engagement at different places. An approach that works at one place may fall short of expectations when used elsewhere and can even cause conflicts between an enterprise and the community. Therefore, a good grasp of the background information of a community and its residents is the foundation for successful community engagement.

[Action Points] Community Background Research¹³

- › Determine information that needs be investigated (refer to [Tool 2.1-1]), and create a primary community register
- › Desktop study
- › Acquire basic data from local government or community leaders (such as village heads)
- › Identify issues to focus on during the field survey based on the results of desktop study
- › Establish a field survey team (e.g. experts familiar with international environmental assessment standards or consultants who understand local social conditions)
- › Design a survey questionnaire or interview outline

Factors such as the education level and receptivity of the respondents should be considered when designing the materials. Where circumstances warrant, engage experts from local academic institutions and NGOs in designing the questionnaire. Often, one-on-one or focus group interviews can be conducted to capture qualitative information. (For recommended interview questions, please refer to [Tool 2.13].) Quantitative information can be obtained by distributing questionnaires among community residents on a large scale. It is important that the questionnaires be simple and easy to understand and fill in for local people¹⁴

- › Select a target group
 - Visit local residents and conduct two-way communication (required) (refer to Section 2.2)
 - Interview local chambers of commerce, academic institutions, and NGOs
 - Interview colleagues with years of local work experience
- › Inform respondents in advance to allow them to understand the process and purpose of the survey
- › Conduct field survey
- › Generate survey results, compile comprehensive community background information files

¹³ Community development toolkit, World Bank

¹⁴ Some international contract projects are located in remote areas, where community residents have limited literacy. In such cases, try not to use questionnaires. If they have to be used, our experience during the field investigation in Laos is to have the questionnaires orally translated into clear and simple local languages by local translators and experts, and have the three parties (translators, experts, local residents) complete the questionnaires together on the spot. This is a highly costly way of background information collection in terms of time, manpower, and finance. Moreover, the translators and experts may have an impact on the attitudes of local residents during communication. Companies are advised to adopt this approach as they see appropriate.

- › Update community files regularly

Dos and Don'ts

- › Learn about local customs before conducting interviews with local residents.
- › Marking the respondents' geographic location (distance from the project location) on the map can help enterprises better understand the project's possible impacts on them.
- › When selecting respondents, carefully categorize community stakeholders to avoid neglecting the needs of certain individuals or groups (refer to section 2.2).
- › Find out in advance if there are minority respondents who do not speak the official language, in which case a translator would be needed.
- › When defining community boundaries, include those who live or work elsewhere but think they are affected by the project.
- › Interviewers should possess high cross-cultural sensitivity and be able to adjust their attitudes and remarks in a timely and appropriate manner during the interviews.
- › In most cases, enterprises can get in touch with local government agencies first to understand the context of the community; if there is tension between the community and the government, consider reaching out to the community first.
- › If community residents already have a strong sense of distrust in the enterprise, consider hiring a third-party agency to conduct community interviews.
- › In addition to the context of the community, it is also necessary to investigate its experience in communicating and negotiating with other enterprises.
- › If the project is located at an industrial park, investigate the environmental and social impact assessments and community engagement activities carried out during the construction of the park.
- x **[DON'T.]** Avoid overreliance on group interviews, as they may be dominated by a few interviewees and there is no guarantee that the opinions of all respondents can be fully expressed.
- x **[DON'T.]** Avoid including too many multiple choice questions and not enough open-ended questions in the interviews. For example, "do you think you will be affected by the operations of the project?" can be replaced by "how do you think you will be affected by the operations of the project?"
- x **[DON'T.]** When designing the questionnaire, avoid using terminology that is too technical for local people or questions and questionnaires that are too long. For respondents with limited literacy, try to use pictures instead of words.
- x **[DON'T.]** Avoid ignoring the minority or vulnerable groups in the community when selecting the target audience. Make sure to include indigenous peoples and marginalized families of the community in the survey and balance the gender ratio of the target audience.

[Tool 2.1-1] Sample Form for Community Background Information Collection¹⁵

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

Table 4: Sample Form for Community Background Information Collection

Name of village	
Geographic information <ul style="list-style-type: none"> › Geographic location (distance from the project), whether there are protected cultural relics, natural reserves, or environmentally sensitive areas in the neighborhood 	
Demographic information <ul style="list-style-type: none"> › Total population, distribution of residence, density of population, gender ratio (the status of women), age structure, ethnic structure, health and hygiene condition, education level, language, income level, etc. 	
Socioeconomic information <ul style="list-style-type: none"> › Factors affecting income and production levels, land ownership, the right to natural resources, ability to obtain production inputs, family structure, kinship, employment opportunities (formal employment, seasonal employment, migrant workers, unemployment), labor mobility, etc. 	
Civil society organizations <ul style="list-style-type: none"> › Civil society organizations with the ability to build capacity at the community or family level or that represent community decisions and voices, etc. 	
Economic organizations <ul style="list-style-type: none"> › Local cooperatives, etc. 	
Political background <ul style="list-style-type: none"> › Relationship with the government, other stakeholders, etc. 	
Historical issues <ul style="list-style-type: none"> › Experience with other companies and institutions, past conflicts, etc. 	
Religion, cultural values and ideas <ul style="list-style-type: none"> › Religious beliefs, religious sects, religious groups/organizations, etc. 	
Community needs <ul style="list-style-type: none"> › Infrastructure construction, etc. 	

¹⁵ Stakeholder Engagement: A Good Practice Handbook for Companies Doing Business in Emerging Markets, International Finance Corporation (IFC) of the World Bank Group, 2007

[Tool 2.1-2] Interviewee List

Multiple factors need to be taken into account when selecting representatives. Interviewees should be reliable, representative of a certain group of people, and sure to convey the results of engagement to the people. Verification procedures should also be in place to make sure they are the right choice. Random interviews can be conducted with stakeholders affected by the project to see if there is an inconsistency between them and the representatives. Suitable representatives include (but are not limited to):

Table 5: Interviewee List

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

[Tool 2.1-3] Recommended Topic List for Community Background Survey Interviews¹⁶

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

Table 6: Topic List for Community Background Survey Interviews

Recommended interview topics	Recommended questions
Understand topics that community residents are most concerned about	<ul style="list-style-type: none"> › What do you know about this project? › What impact do you think the project will have on you? › What is your biggest concern about this project?

¹⁶ Public Participation Toolkit, United States Environmental Protection Agency

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

2.2 Methods of Community Groups Segmentation

Rationale

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

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

Action Points

- › List all the stakeholders one can think of¹⁷
This process can start with institutions and people that are already engaged in partnerships or are affected by the project. Other groups that may be interested in the project, such as local media and environmental organizations, should also be taken into account.
- › Expand the list
Find out more institutions and people that need to be included by interviewing the stakeholders listed above. At this stage, as many stakeholders as possible should be listed. Use the following list as a guide:
 - › Who may be adversely affected by the project?
 - › Who may benefit from the project?
 - › Who is responsible for implementing measures to mitigate the negative impact of the project?
 - › What partnerships will facilitate the implementation of the project?
 - › Which vulnerable groups are easily overlooked and need special attention?
 - › Who will support or oppose changes to the local community caused by the implementation of the project?
 - › Whose support or opposition will have a decisive impact on the success or failure of the project?
 - › Who can provide resource support?
 - › Who are the decision makers?
- › Check for overlooked items
Ask the interviewed respondents if there are people who they think are affected but not included in the interviewee list.
- › Rank stakeholders by the degree of impact (refer to [Tool 2.2-2])

¹⁷ Community development toolkit, World Bank

Dos and Don'ts

- › Prioritize individuals and groups that are adversely affected by corporate activities directly.
- › Prioritize individuals and groups that must be engaged in interactions as required by law and other rules.
- › The impact on stakeholders and their primary demands may change as the project progresses, so they should be reassessed at different stages of the project.
- › Establish a stakeholder contact and engagement record to avoid inconsistencies in the messages employees convey to the outside world.
- ✗ **[DON'T.]** Avoid arbitrarily excluding communities living outside the boundaries of the affected area from engagement activities. They may also think that they are affected by the enterprise.

[Tool 2.2-1] Community Stakeholder List¹⁸

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

Table 7: Community Stakeholder List

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

¹⁸ Community development toolkit, World Bank

[Tool 2.2-2] Drawing the Impact Zoning Plan^{19 20}

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

1. Draw an element map that reflects project impacts on the environment and society (e.g. land area used/affected, air and water pollution). It may be easier to use aerial photos or satellite images.
2. Determine the general scope of impact for each element (e.g. land requisition area, air and water pollution).
3. After identifying stakeholders, map them on the Impact Zoning Plan.
4. Consult with the legal representatives of stakeholders to verify the impact on different groups.

[Tool 2.2-3] Community Engagement Contact Form

It is unrealistic to try to interview all members of the community to understand community demands for the enterprise. Rather than interview as many residents as possible, it is better to divide them into groups and select representatives as the interviewees. This helps underline the differences in opinions, and the representatives can also act as the contact persons for community engagement. The following form can be used as a reference for selecting stakeholder representatives, including (but not limited to):

Table 8: Community Engagement Contact Form

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

¹⁹ Stakeholder Engagement: A Good Practice Handbook for Companies Doing Business in Emerging Markets, International Finance Corporation (IFC) of the World Bank Group

²⁰ Environmental and Social Management System Toolkit 2007, International Finance Corporation (IFC) of the World Bank Group, 2015

Local school teachers				
Religious leaders				
Ordinary residents affected by the project				
Representatives of local business organizations				
Representatives of other business organizations working locally				
Vulnerable groups (women, residents who do not use the lingua franca, indigenous peoples)				
Other interviewees recommended by the above interviewees during interviews				
Former interviewees (return visits)				
Others				

Case 2.2

PowerChina Vientiane-Boten Railway Project on Friendly Terms with Local Miao Community

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

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

2.3 Identifying Potential Risks and Developing Solutions

Rationale

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

When an enterprise operates overseas, it is bound to meet with various risks, including opposition from the community. They may all become a potential obstacle to the enterprise's normal operations. To avoid conflicts with local communities, an enterprise needs to anticipate issues that may cause dissatisfaction of community residents early on. Dissatisfaction may occur because the negative impact during project implementation exceeds the capacity of the community or the positive impact fails to reach its expectations.

However, it may not be possible to completely avoid or minimize certain negative impacts despite countermeasures already in place. Then enterprises should find ways to offset them with comparable positive impacts or offer compensations to affected residents. For example, if company operations consume a large amount of water. Despite taking measures to minimize water use, there are still periods of the year when water becomes scarce in the local community. The company may consider collaborating with local communities to dig new wells or provide alternate sources of drinking water.²¹

Figure 4: Priorities for coping with risks



[Action Points] Develop Risk Identification and Action Plan²²

- › Identify risks that may create community conflicts and establish a risk matrix (see [Tool 2.3-1])
- › Stakeholders spend more time on issues they care about. Therefore, matters that they frequently bring up or repeatedly stress during communication may be those that they disagree upon with the enterprise and that may develop into conflicts
- › Assess actions and procedures needed to address those risks
- › Identify risks that may create community conflicts and establish a risk matrix (see [Tool 2.3-1])
- › Stakeholders spend more time on issues they care about. Therefore, matters that they frequently bring up or repeatedly stress during communication may be those that they disagree upon with the enterprise and that may develop into conflicts
- › Assess actions and procedures needed to address those risks

²¹ Environmental and Social Management System Implementation Handbook, International Finance Corporation (IFC) of the World Bank Group, 2015

²² Environmental and Social Management System Implementation Handbook, International Finance Corporation (IFC) of the World Bank Group, 2015

Dos and Don'ts²³

- › When conducting risk assessments, include input from all levels of workers and managers.
- › Include input from affected communities and other external stakeholders.
- › Assess and prioritize risks according to both their probability and the severity of negative impacts.
- › Link monitoring plans to the prioritized risks.
- › Identify risks in the supply chain in addition to those in the enterprise.
- › Adjust risk identification as appropriate to the size and complexity of company business.
- ✗ [DON'T.] Avoid always using the same set of risk identification and resolution action plans that are not periodically updated.
- ✗ [DON'T.] Avoid skipping risk mitigation measures altogether just because the negative impact cannot be completely avoided.
- ✗ [DON'T.] Avoid copying action plans that work on one project directly to another.

[Tool 2.3-1] Risk Matrix^{24 25}

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

Table 9: Risk Matrix

No.	Type	Description	Probability of occurrence* Low=1; Medium=2; High=3; Extremely high=4	Impact level* Low=1; Medium=2; High=3; Extremely high=4	Risk level* Low, Medium, High	Management advice/ Action plan	Person in charge

* Probability of occurrence: how likely the risk will occur

* Impact level: if the risk occurs, how serious is its potential impact

* Risk level: the level of priority that needs to be given to a risk in line with its probability of occurrence and impact level.

²³ Environmental and Social Management System Implementation Handbook, International Finance Corporation (IFC) of the World Bank Group, 2015

²⁴ Fujian W, Risk Management Strategies and Case Studies for Chinese Enterprises' Overseas Investment & Construction [M], China Economic Publishing House, 2015

²⁵ Fujian W, Risk Management Strategies and Case Studies for Chinese Enterprises' Overseas Investment & Construction [M], China Economic Publishing House, 2015

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

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



Website: http://www.chinagoabroad.org/index_CN.asp

[Tool 2.3-3] List of Factors Likely to Cause Community Conflicts

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

Table 10: List of Factors Likely to Cause Community Conflicts in International Contract Projects²⁶

The negative impact of the project on the ecosystem services on which the community depends

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

The negative impact of the project on the health of the community

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

The negative impact of the project on the safety of community residents

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

Benefits from the project are lower than community expectations

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

Potential conflict risks of the project

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

Case 2.3-1**PowerChina Vientiane-Boten Railway Project Strengthens Non-traditional Safety Management**

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

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

Case 2.3-2**China Road & Bridge Corporation Cambodia 1577 Highway Reconstruction Project Reduces Environmental Impact²⁷**

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

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

- Dispose of spoil strictly in the spoil ground to prevent water pollution; improve the temporary drainage and protection system; prohibit discharge of ground rainwater runoff directly into the water body, keep away from drinking water sources; prohibit discharging mud randomly during the pile foundation construction; use cofferdam for closed construction of bridge piers in the river; restore the riverbed to its original appearance after the bridge and culvert construction was completed.

²⁷ Collection of Best Community Responsibility Practices of China Road & Bridge Corporation

- Require all cement bags, excess concrete or mortar, stone materials, etc. on the site to be collected and treated together after the construction is completed to prevent solid waste pollution. With the technical indicators fulfilled, the excavation team is required to maximize use and minimize discard.
- To prevent noise pollution, all construction except for that of the pile foundation is prohibited at night. Vehicles are required to lower their speed and banned from whistling in residential areas. To prevent smoke and dust pollution, water trucks are ensured to be working during the dry season, especially at hospitals, schools, and residential areas. The concrete mixers' feeders are required to be dust-proof. The stockyard is located on the lower side of the perennial trade-wind to minimize the impact of smoke and dust. To prevent vegetation damage, the project is kept away from the ancient trees and landscape trees planted on both sides of the road as much as possible and the excavation team is required to properly handle the interceptor ditch before restoring the vegetation as soon as possible after excavation.

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

Step 3.

Confirming Message: Identifying Information to be Communicated with the Community

3.1 Identifying Key Information for Community Engagement

Rationale

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

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

[Action Points] Identify core concerns of the community²⁸

- › Review community background research files and stakeholder identification to determine potential project impact on the community and areas to focus on
Industry benchmarking can be conducted at this stage to understand the key issues for the project contracting industry in community relationship management. Learning about other enterprises' practices helps enterprises avoid making the same mistakes and adopt good practices that suit themselves or work with other enterprises to conduct community engagement.
- › List the key issues identified
- › Use relevant tools ([Tool 3.1-1] Core Issue Evaluation Form) to organize the issues
- › Rank the issues by importance

Dos and Don'ts

- › When identifying core issues, conduct separate analyses on vulnerable groups to explore issues that concern them the most, especially the needs of women and indigenous peoples.

²⁸ Community development toolkit, World Bank

[Tool 3.1-1] Core Issue Evaluation Form

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

Table 11: Core Issue Evaluation Form



Case 3.1

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

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

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

To ensure a sound community engagement mechanism, resettlement staff is stationed at each cascade hydropower plant, and resettlement coordination meetings are held regularly, where the Ministry of Energy and Mines (Lao PDR), the Ministry of Natural Resources and Environment (Lao PDR), and provincial and county governments are present. The Energy Department and the Provincial Migration Committee have assigned personnel at the power plan, strengthening the communication between the government and the community, promptly coordinating and handling problems related with migration environment and construction, and ensuring normalized relationship and communication with neighboring communities.

Through communication, the project department was able to identify the core interests of the community and develop relevant measures for community integration.

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

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

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

3.2 Ensuring Consistent Information Disclosure

Rationale

Enterprises should document and accurately communicate the core messages of community engagement in clear, easily understandable language. This should include, but not limited to, key stakeholders, core issues, company stance, goals of communication, and more. On the other hand, when employees convey contradictory information to the outside world, it hurts the enterprise's creditability. This is why the company should clearly identify the content of external communication and its standpoint and attitude towards community affairs before conducting engagement, and manage to remain consistent through the implementation stage.

Action Points

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

Dos and Don'ts

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

[Tool 3.2-1] Commitment Record

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

Table 12: Commitment Record

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

Step 4.

Developing Channels: Primary Channels and Means of Community Engagement

4.1 Common Channels of Community Engagement

Rationale

Community engagement is a long and complex process. At different stages of the project, companies may consider different levels of community involvement (inform, consult, involve, collaborate, and empower). Moreover, residents of the same community are also likely to have different interests and preferences for receiving information. Therefore, companies should pay attention to the flexibility of engagement channels and base their choice on the needs and purposes of engagement.

Action Points

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

Dos and Don'ts

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

[Tool 4.1-1] Common Engagement Channels and the Applications²⁹

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

Table 13: Common Engagement Channels and the Applications

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

²⁹ Public Participation Toolkit, United States Environmental Protection Agency

³⁰ Public Participation Toolkit, United States Environmental Protection Agency

12	Social media	No limit	A part of the engagement strategy for major projects	Fairly low
13	Shows (stage shows, dancing, puppet shows, songs)	No limit	Especially suitable for undecided proposals and important notices	Fairly high
14	Broadcast vehicles	No limit	It can go anywhere the audience is	Medium
15	Personal channels and intermediaries (e.g. heads of local village councils, church or NGO leaders ³¹)	A small number	Especially suitable for communicating sensitive matters or with special groups (e.g. indigenous peoples, protesters)	Fairly high

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

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



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

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

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

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

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

Thank you very much. I look forward to meeting with you at [time and place].

³¹ When acting as the intermediary, NGOs and other organizations are an engagement channel. Meanwhile, they are also a key stakeholder and community relationship representative. 4.3 provides a wide array of tools for companies to turn NGOs into an effective channel of engagement, and the principles and most of the tools provided in this Handbook are also suitable for cases where NGOs are the object of engagement.

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

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



Dear XXX,

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

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

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

Phone:

Email:

We look forward to meeting with you!

Case 4.1

CNOOC Group Uganda Kingfisher Oilfield Project Information Communication

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

4.2 Means of Engagement for Communities with Low Levels of Education

Rationale

The international contract projects of Chinese companies are mostly concentrated in economically underdeveloped areas. Due to limited education level, it is difficult for local residents to understand text-based messages or very complicated and macroscopic information. So companies need to take into account the resultant differences in understanding and choose engagement channels that are better suited to the perception capacity of the target audience.

Action Points

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

Dos and Don'ts

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

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

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

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

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

Case 4.2

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

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



Figure 5: China-Laos Railway Exhibition Hall



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

4.3 Methods and Tools for Selecting Local Partners³²

Rationale

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

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

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

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

Action Points

- › Find out active civil society organizations in the host country, highlighting those whose focus areas well overlap with the enterprise's projects (such as river protection organizations for water conservancy projects and land rights organizations for projects involving large-scale demolition)
- › Select civil society organizations with the foundation for cooperation. The criteria for assessment include but are not limited to:
 - › Having a common goal or strategic interest, although the positions may vary
 - › Having the will and ability to share in the financial costs
 - › Smooth information sharing, transparent cooperation, and joint field work
 - › Complementary resources and capabilities
 - › Sharing in the financial and reputational risks and benefits of a common cause
 - › Willing to conduct sound cooperation with Chinese enterprises
- › Conduct due diligence on civil society organizations to understand their background, funding sources, and past project experience
- › Identify expectations for the partnership: How will the cooperation help both parties achieve their goals?
- › Depict the ideal scenario: Under ideal conditions, what can the cooperation achieve? What changes will it effect?
- › Clarify the role of NGOs in future cooperation mechanisms: In charge of supervising on the governance level (the board of directors), partner liaison on the implementation level, audit monitoring, or grievance mechanism?
- › Take the initiative to contact the selected civil society organizations to express intention for cooperation

32 Partners include local NGOs, the local branches of international NGOs, or the local offices of Chinese NGOs.

- › Communicate with the corporate headquarters to obtain authorization for cooperation
- › During cooperation, adhere to the principle of openness and transparency, actively seek communication, and constantly adjust and improve the partnership project
- › Evaluate the implementation process and impact of the project

Dos and Don'ts

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

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

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

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

Channels	Approaches	Notes
Direct contact	Discover potential partners by consulting domestic and global civil society organization index and reports and make appointments by email or telephone.	Attach importance to investigating and evaluating potential partners.
Domestic and foreign government departments and embassies and consulates	Companies can consult relevant government departments on policies, regulations, and potential partners as they usually have more relevant information	Government departments include not only the competent departments of civil society organizations but also relevant departments under the Ministry of Foreign Affairs and the Ministry of Commerce.
International NGOs/civil organization networks	Companies can use the resources of international NGOs and civil society networks to acquire more information faster.	Form a clear understanding of the areas of cooperation before the visits

Channels	Approaches	Notes
Civil society organization forums and conferences	Companies have direct access to target organizations in those activities or may get introduced by organizations they already know.	Activities selected for participation should be relevant to the areas of community activities envisioned by the company.
Professional public welfare consultancy	Target areas and potential partners can be reviewed and evaluated leveraging the experience and expertise of a public welfare consultancy	Investigate the professionalism of the consultancies.

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

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

Table 16: Partial List of Chinese “Going out” CSOs

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

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

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

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

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

[Tool 4.3-4] CSO Partnership Evaluation Form

A good partnership is the foundation for a successful partnership project. The evaluation form below focuses on such aspects as the capabilities, matching degree, communication process, and decision-making mechanisms of each participant:

Table 18: CSO Partnership Evaluation Form

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

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

[Tool 4.3-5] List of Qualification Documents for Partner NGOs³³

When choosing foreign NGOs for cooperation, the first step is to ask them to provide relevant documents and materials to facilitate more targeted due diligence and capability assessments afterward.

Table 19: List of Qualification Documents for Partner NGOs

Project	Content	Review or provide
Qualification documents and decision-making process of institution	Registration documents and certificates, etc. of the institution	Provide
	Minutes of the annual plenary session, minutes of board meetings and the preparatory documents presented to the board prior to the meetings (such as manuals or documents given to the board of directors), minutes of managerial meetings (if possible)	Review
Financial situation	Budgets and control budgets agreed upon by the board of directors over the past three years, along with all descriptions and analysis	Review
	Audited financial statements (balance sheet, profit and loss statement, cash flow statement, and appendix) over the past three years	Provide
Administrative organization	Organizational chart	Provide
	Personnel list, including name, position, date of employment, and the basic salary and incentive pay of last year	Provide
	Summative resume of each department head	Provide
	Internal regulations (if any)	Review
	Administrative procedures manual (if any)	Review
	Any additional procedures manual	Review
Information management	Internal information flow tools of the organization	Review
	List of reports automatically generated by the system and specific examples of each type of report	Review
Accounting	Accounting chart	Review
	Trial balance and summary form for the past three years (financial statements that are over 5 months old are to be grouped with those less than one year old)	Review
	Recent physical inventory (for example, fixed asset documents, inventory documents, for evaluation purposes only)	Review
	Accounting procedures manuals (guidelines, precautions, etc.) that may include purchasing procedures	Review
Project management	Project management procedures	Provide
	Project management manuals	Review
	Project monitoring methods	Review
	Project Reports	Review

33 Source: China Foundation for Poverty Alleviation. They are intended as a reference for companies.

Project	Content	Review or provide
Ex-ante research	Feasibility study/market research	Review
Strategy	This year's budget	Review
	Business plan: medium and long-term strategic plans, including financial forecasts for the institution's future growth	Review

Case 4.3-1

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

According to *More Transparency Less Risk* (2015)³⁴, most Chinese companies are not motivated enough to communicate with local NGOs when operating overseas because they do not know how. CNOOC Uganda, however, conducted community stakeholder identification with the aid of local employees, governments, and NGOs. Moreover, throughout the entire process of community relationship management, its understanding of the culture, feelings, and concerns of the local community not only served as a breakthrough in knowledge but also provided a feasible approach to boosting the participation of local stakeholders.³⁵

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

The economic development in Uganda has doubled the number of motor vehicles in recent years, with 95% remaining used cars imported from abroad. This, coupled with poor road conditions, has resulted in frequent occurrences of severe traffic accidents.³⁶ Collaborating with the local NGO "Safe Way Right Way", CNOOC actively promoted and encouraged safe driving among local residents. Meanwhile, when the company worked with China Communications Construction to jointly build the first Kingfisher oilfield road among cliffs, its community relationship management staff partnered with local NGOs in a concerted effort to raise awareness on traffic safety in neighboring villages by means of broadcasting and printed handbooks.

Case 4.3-2

PowerChina Nam Ou River Project Actively Cooperates with Various Institutions

The PowerChina Nam Ou River Project attaches great importance to cooperation and dialogue and has created a sound environment for communication and strong cooperative relationships with local partners. It actively discloses information and performance to various stakeholders, prioritizes cooperation with research institutes, international NGOs, and various social groups, and has taken the initiative to establish communication and dialogue mechanisms. Besides officials from the Ministry of Energy and Mines (Lao PDR) and Department

34 *More Transparency Less Risk: Transparency and Risk Management of Chinese Overseas Investment in Extractive Industries*, SynTao, Tsinghua University School of Economics and Management, 2014

35 Zhiron D., *More Transparency Less Risk: Methods for Overseas Investments to Obtain Social License and Reduce Risks*, 21st Century Business Herald

36 Uganda Travel Advisory for Chinese Citizens, Embassy of the People's Republic of China in the Republic of Uganda

of Immigration (Lao PDR) stationed at the project site, the third-party consultancy ILF is also employed by the Lao government to conduct project patrols on a quarterly basis. The project department has fostered positive engagement with the ILF, listening to its advice with an open mind, and is highly recognized for its efforts. Apart from signing a security agreement with the Lao Ministry of National Defense and inviting local enterprises to participate in migration projects and reservoir clean-up, the company also engages local police in joint initiatives and trains hydropower talents in partnership with local schools. Moreover, large-scale coordination and communication meetings are organized every year by the Lao Central Government, National Assembly, and local governments to solve problems related to the project and local community.

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

4.4 Tactics for Communicating with the Media

Rationale

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

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

Action Points

- › When the media are needed:
 - › Establish the goal of media communication (such as increasing corporate visibility, responding to negative events, and publishing community consultation results)
 - › Identify target audience (such as the community where the project is located, the general public of the host country, the international public, and the Chinese public)
 - › Prepare information to be published through the media
 - › List the media with great influence on the target audience (including newspapers, TV, radio, social media, etc.; the influence is reflected not only in the circulation, viewership, number of followers, etc. but also in credibility, reputation, objectiveness, and openness.)
 - › Apply for permission from the company's marketing/public relations department (or relevant departments at the headquarters) pursuant to the company's regulations
- › When approached by the media:
 - › Determine the time for an interview with the reporter to ensure enough time for preparation
 - › Ask the reporter to send the list of questions via email before the interview
 - › Evaluate the position and target audience of the media, including their political positions, so as to predict their opinions and possible risks and emergencies outside the question list
 - › Ask for the permission of the project leader or the marketing/public relations department at the headquarters (especially when the reporter is inquiring about a negative event) pursuant to the company's regulations
 - › Prepare for the interview based on the list of questions (when necessary, seek assistance from the marketing/public relations department in developing an interview strategy)
 - › Rehearse the interview with colleagues the day before the interview and try to cover all the issues that may invite query or attack (even if they are not in the list of questions provided by the reporter)

Dos and Don'ts

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

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

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



— Announcement —

[Company name]

[Project name]

[Project location]

— XXX Project Draft —

[Project Profile]

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

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

[Time]

[Place]

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

[Name of recipient]

[Mailing address]

For more information, please contact:

[Name of community engagement officer]

[Telephone]

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

Case 4.4

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

On July 4, 2018, the PowerChina Nam Ou River Project received the Lancang-Mekong Cooperation Media Summit Joint Interview Group. The Media Summit was co-hosted by the People's Daily and the Lao Ministry of Information, Culture and Tourism, and with over 120 representatives from the national government, media, and enterprises participating, drove the Lancang-Mekong Cooperation mechanism to deliver results around the theme of "People-to-people bonds for Community of Shared Destiny". As a demonstrative project for regional connectivity, the Nam Ou River Cascade Hydropower Plant was an important stop of the joint interview. On that day, an interview group consisting of over 30 journalists from the mainstream media of six countries, including People's Daily (people.cn) (China), Lao National Television (Laos), The Cambodia News.Net (Cambodia), Myanmar News Agency (Myanmar), Thai Rath (Thailand), and Vietnam News Agency (Vietnam), conducted interviews at the Grade I hydropower station of the Nam Ou River Cascade Hydropower Plant.³⁷

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

Compared with text reports, image information is more condensed and communication-friendly. Images: PowerChina Sustainable Development in Laos consists of five parts, i.e. PowerChina Responsibility, Green PowerChina, PowerChina Culture, PowerChina Public Benefits, and PowerChina Voices, and over 20 stakeholders appear in it to tell the brand story of PowerChina in Laos from the economic, environmental, and social perspectives.³⁸

Nam Ou River Full of Feelings, on the other hand, tells the story from the angle the locals. The video features Lao employees as the leading roles, and, through the lens of their daily work and life, depicts how PowerChina Resources Limited (PCR) adheres to the concept of "Green development and scientific exploitation" and contributes to the socioeconomic development in Laos by actively implementing the localization strategy, fueling local employment and consumption, and making a strong effort in delivering public benefits and promoting local livelihoods. The film was played at the Nam Ou River Grade II Hydropower Plant Power Generator Ceremony and replayed continuously in the local area. The film was very well received and established a good corporate image among the locals.³⁹

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

³⁷ http://www.fcbmis.com/art/2018/7/4/art_796_222266.html

³⁸ http://www.powerchina.cn/art/2018/1/26/art_19_270397.html

³⁹ http://www.powerchina.cn/art/2018/1/26/art_19_270397.html

Step 5.

Effective Execution: Efficient Ways to Conduct Community Engagement

5.1 Budget Planning

Rationale

It is crucial to fully consider the expenditures of each activity and make an accurate budget plan before the community project begins. For many multinational companies, community engagement is an important part of the overall social responsibility strategy, and there is always established mechanisms and processes to follow when making the project and budget planning. However, this is not the case for most of China's international contracting companies. Without such mechanisms in place, budget planning for community engagement activities needs to start from scratch, covering issues like the specific tasks involved, the budget for each task, whether the budget is in line with the enterprise's overall spending distributions, etc.

Action Points

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

Dos and Don'ts

- › Community-related expenses of multinational companies usually account for 0.5%~1.5% of their total profit.⁴⁰
- › Try to keep community projects fewer and bigger to produce greater influence (fewer, bigger, better)⁴¹.
- › When making the budget, take into account the tax law and tax rate calculation method of the host country so as to benefit from legitimate tax avoidance and leave more funds for the projects.

⁴⁰ For reference by Chinese companies only. This includes the calculation of relevant budget in Tool 5.1-1, which is based on a mature community engagement model. Chinese companies, on the other hand, will need to take into full account the realities of the company and the project to integrate resources and balance their budget.

⁴¹ Corporate Community Involvement: The Definitive Guide To Maximizing Your Business' Societal Engagement.

- › Project partners (such as NGOs, consultancies) need to adhere to the principle of financial transparency, report their expenditures regularly, and seek timely communication when the actual expenditures differ from the budget to ensure that the changes are necessary and appropriate.
- › The financial requirements for the partners should match the enterprise's own financial procedures and be clearly articulated to the partners in advance.

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

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

Table 20: Community Engagement Related Project Budget Form

Category	Content	Considerations
Community engagement projects	<ul style="list-style-type: none"> › Community activities led by the Community Engagement Department › Activities led by other departments (such as the Human Resources Department) that require support from the Community Engagement Department 	<ul style="list-style-type: none"> › Fees for activity implementation › Extra administrative costs for outsourced projects (such as local NGO implementation)
Donations	<ul style="list-style-type: none"> › Cash donations › Material donations 	<ul style="list-style-type: none"> › The social benefits of direct donations are usually smaller than that of community engagement projects, so a greater portion of the budget should be directed to the latter › The donation funds do not usually come from the Community Engagement Department but should be included in its budget
Employee involvement	<ul style="list-style-type: none"> › Volunteer services › Employee fundraising and company matching › Human resources cost for community engagement officers 	<ul style="list-style-type: none"> › Employee involvement in volunteer activities during working hours should be included in labor costs › Public relations-related expenses (such as corporate branded T-shirts, publicity activities) should be considered › Generally speaking, company matching of employee giving brings little benefit to the company except for some media coverage › Set aside some budget for staff training › Set aside some budget for emergency donations such as disasters
External consultation	<ul style="list-style-type: none"> › Develop community engagement plans › Implement community engagement projects › Collaboration in specific areas (such as establishing channels for NGO dialogue) 	<ul style="list-style-type: none"> › Many experts are not employed by any organization, and there is room for negotiation when it comes to their fees for participating

Category	Content	Considerations
Marketing	<ul style="list-style-type: none"> › Human resources cost for the internal Publicity Department And/or › Communication and outsourced public relations services 	<ul style="list-style-type: none"> › Outsourcing services makes it easier to find more newsworthy news items › In general, publicity costs account for 10%-15% of the total community project budget
Evaluation	<ul style="list-style-type: none"> › Internal evaluation And/or › External evaluation 	<ul style="list-style-type: none"> › In general, evaluation costs account for 5%-10% of the total community project budget
Join membership-based community affairs platform organizations		<ul style="list-style-type: none"> › Joining such organizations helps companies keep abreast of the latest community affairs and build relationships, etc. › Large multinational companies typically spend \$7,500-\$22,500 a year in this category, and SMEs spend less
Others	<ul style="list-style-type: none"> › Disclosure of community-related efforts › Cross-border team exchange programs 	<ul style="list-style-type: none"> › Some companies disclose their community-related efforts in the CSR report or country-by-country report, so there is no need for extra budget. › The headquarters of large multinational companies usually provide partial or full funding for team exchange programs

5.2 Selecting Key Intermediaries

Rationale

Mutual trust is crucial for guaranteeing smooth communication of information between an enterprise and the community and a prerequisite for establishing sound engagement. However, the efficiency of engagement can often be severely compromised at an early stage, when the community has little understanding of the enterprise and its projects and the enterprise has not yet accustomed to the local religion, culture, and ways of communication. This then causes the community to lose trust in the enterprise. There are many ways for companies to cement mutual trust and deliver better communication, including communicating information through key intermediaries with high prestige in the community, participating in major community events, and providing necessary assistance to the community.

Action Points

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

Dos and Don'ts

- › When in need of an intermediary to facilitate the communication, select someone trustworthy and do so with discretion
- › Different countries have different social structures, so the identity of the key intermediaries may vary greatly, and the selection should be based on an in-depth knowledge of local social conditions.
- › Even if the selected key intermediaries have high prestige, a great say, and the ability to help companies conduct community work efficiently, the communication efforts should not stop here. It is still essential to collect firsthand feedback from community residents, as even local authorities do not always represent all the genuine ideas of the community residents or accurately convey the enterprise's messages to the residents.
- › Do not visit the community only when major events occur. Visiting the community on a regular basis helps build customary interactions between the two parties and incorporate two-way communication into daily life and work.
- › If there is a plan to implement infrastructure construction or capacity enhancement projects for the community, match the enterprise's strengths with community needs to avoid excessive financial pressure or projects that cannot address the real needs of the community.

Case 5.2**PowerChina Lao Project Selects Local Village Heads as Key Intermediaries**

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

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

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

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

5.3 Tactics for Effectively Convening Public Meetings

Rationale

Community public meetings are suitable for occasions targeting a large population of residents, in particular for announcing major news or responding to community concerns. Those meetings are a good way to dispel the worries that afflict the residents when expressing their opinions alone.

Action Points

- › [Tool 5.3-1] can be regarded as an action list

Dos and Don'ts

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

[Tool 5.3-1] Checklist for Planning Public Meetings

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

Before the meeting

Date and time: _____

Location: _____

Name of contact for venue rental _____

Phone number: _____

Rental rates: _____

Venue capacity: _____

Estimated number of participants: _____

Is a court clerk needed? ☐ Yes ☐ No

Name: _____

Contacted/Confirmed

Rates: _____

Is a translator needed? ☐ Yes ☐ No

Name: _____

Contacted/Confirmed

Rates: _____

Have all key stakeholders been notified?

☐ Project managers: _____

☐ Police station: _____

☐ Power Supply Bureau: _____

☐ National government: _____

☐ Local government officials: _____

☐ Others: _____

☐ Prepare the meeting agenda

☐ Prepare meeting evaluation form

☐ Prepare the speech

☐ Confirm with the emcee

☐ Prepare video or image materials

☐ Confirm the time and place of rehearsal

Date: _____

Time: _____

Location: _____

☐ Meeting rehearsal

☐ Finalize meeting agenda

- ☐ Last-minute checks and opening speech

Meeting Notification

- ☐ Notify all the key community contacts
- ☐ Prepare and distribute meeting materials
- ☐ Prepare press release
- Date of release: _____

- ☐ Store meeting information in the project database

- ☐ Prepare notifications for the public

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

Determine the deadline for publishing notifications: _____

Rates: _____

Date for the press release to reach the media: _____

Audio visual equipment	Venue preparation	Materials
<input type="checkbox"/> Projection equipment	<input type="checkbox"/> Arrange tables, chairs, and equipment	<input type="checkbox"/> Signage
<input type="checkbox"/> Projection screen	Responsible parties: own staff _____ third parties: _____	<input type="checkbox"/> Table signs
<input type="checkbox"/> Presentation laser pointer	Time for venue decoration: _____	<input type="checkbox"/> Attendance forms
<input type="checkbox"/> DVD player/television	Time for venue clearing: _____	<input type="checkbox"/> Meeting agenda
<input type="checkbox"/> Microphones (desktop/handheld)	<input type="checkbox"/> Arrangement of security staff (confirm XX days before the meeting)	<input type="checkbox"/> Business cards
<input type="checkbox"/> Voice recorder/battery	<input type="checkbox"/> Cleaning services	<input type="checkbox"/> Blank paper/pens
<input type="checkbox"/> Camera/memory card	<input type="checkbox"/> Bathrooms <input type="checkbox"/> Ventilation equipment	<input type="checkbox"/> Whiteboard/markers
<input type="checkbox"/> Video camera/memory card	<input type="checkbox"/> First-aid kit <input type="checkbox"/> Venue clearing	<input type="checkbox"/> Disposable paper cups
<input type="checkbox"/> Power strips	Responsible parties: own staff _____ third parties: _____	
<input type="checkbox"/> Power extension cords	<input type="checkbox"/> Podium	
	<input type="checkbox"/> Meeting tables	
	<input type="checkbox"/> Media seats	

After the meeting

- ☐ Return equipment
- ☐ Inquire about community resident meetings
- ☐ Respond to requests for information
- ☐ Distribute meeting minutes
- ☐ Send a thank-you letter
- ☐ Prepare meeting evaluation
- ☐ Add participants to the mailing list

5.4 Recording, Archiving, and Disclosing Community Engagement Activities

Rationale

With the consent of the target audience, make a written or audio/video recording of the communication process, which can be used as evidence in the event of future disputes. At the same time, some information can be released to the outside world to demonstrate the enterprise's efforts and achievements in community engagement.

Dos and Don'ts (Rules)

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

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

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



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

[Key points of the agreement]

[Action plan targeting the above issues]

For relevant documents, consult online references:

[Website] _____

Or visit community data library:

[Address] _____

For more information, please contact the community engagement officers:

[Email] _____

[Telephone] _____

[Address] _____

Step 6.

Monitoring Feedback: Communication as a Continuous, Cyclic Process

6.1 Establishing a Community Grievance and Response Mechanism

Rationale

When a project has negative social and environmental impacts in the community, complaints are bound to arise. Establish a sound grievance mechanism to allow members of the impacted communities to pose questions, express concerns, or file complaints, openly or anonymously. Establish and maintain a publicly available and easily accessible channel to facilitate timely understanding and use. How fast an enterprise responds and how it handles a complaint will have significant implications for how it is perceived. Even when there is a dispute or a disagreement during the communication, the enterprise should also respond positively and plan the response time. The size of the grievance mechanism should be commensurate with the risk and impact level of the project.

[Action Points] Checklist for effective grievance mechanisms⁴²

- › Daily Work
 - › Establish easy-to-use complaint channels, taking into account the education level of community residents and the establishment of anonymous channels, including:
 - An anonymous telephone hotline
 - Anonymous suggestion boxes
 - Assigning community liaison officers to visit the communities on a regular basis to collect feedback
 - › Educate the community on the existence and use of the avenues
 - › Establish predictable and clear complaint resolution procedures, including:
 - Grade foreseeable complaints according to the degree of influence
 - Stipulate and publish the timeframe for resolving complaints of different levels
 - Define the authority of community engagement staff for resolving complaints of different levels
- › When a complaint occurs:
 - › Assign a staff member or a team to register the complaint, conduct investigations with relevant staff and external stakeholders, and formulate an action plan.
 - › Choose the most appropriate way to respond (refer to [Tool 6.1-1]).
- › Follow-up work:
 - › Review the work process, including whether the complaint was received, the investigation process and timeline, the solution, etc.
 - › Monitor the outcomes of complaint resolution.
 - › Regularly review the complaints and the grievance system, monitor system effectiveness, and use relevant outcomes to inform the enterprise's management system.
 - › Conduct community surveys on a regular basis to assess how the residents perceive the reliability of the grievance mechanism and outcomes and system accessibility.

⁴² Environmental and Social Management System Toolkit, International Finance Corporation (IFC) of the World Bank Group, 2015

Dos and Don'ts⁴³

- › Strictly enforce commitments made to resolve the complaints.
- › Keep the resolution procedures and outcomes transparent.
- › Clearly define the authority of community liaison officers, especially regarding complaints that are time sensitive and require immediate on-spot handling.
- › Making proper written records and feedback is key to effective complaint management regardless of the type or handling method (refer to [Tool 6.1-2]).
- › The complaint channels should be easily accessible to community residents, such as anonymous suggestion boxes set up in public areas of the community. Let users know from the outset that when filing a complaint, no payment is required and no retaliation will occur.
- › Clearly define the authority of all levels of community engagement staff for complaint resolution, especially regarding time-sensitive complaints, and give community engagement liaison officers permission so that the problem can be resolved as soon as possible.
- › In the event of a major complaint, a multi-stakeholder monitoring team (which may include representatives from the enterprise and from affected communities, NGOs, the academia, and/or city governments) may be formed.⁴⁴ Or engage a neutral third party recognized by both parties to assist in the mediation.
- › Not all matters are suitable to be handled with the enterprise's internal grievance mechanism. Clarify the boundaries and scope of complaint handling, what types of complaints should be handed over or referred to formal judicial departments or quasi-judicial dispute resolution bodies, and at what level.
- ✗ **[DON'T]** Avoid preventing complaints from being filed with other organizations or through judicial administrative channels.

⁴³ Stakeholder Engagement: A Good Practice Handbook for Companies Doing Business in Emerging Markets, International Finance Corporation (IFC) of the World Bank Group, 2007

⁴⁴ Environmental and Social Management System Toolkit, International Finance Corporation (IFC) of the World Bank Group, 2015+Toolkit+General_2016_Chinese.pdf

[Tool 6.1-1] Ways to Respond to Communities

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

Table 21: Ways to Respond to Communities

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

[Tool 6.1-2] Complaint Record Form

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

Table 22: Complaint Record Form⁴⁵

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

45 Environmental and Social Management System Toolkit, International Finance Corporation (IFC) of the World Bank Group, 2015

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

Case 6.1

Baku–Tbilisi–Ceyhan (BTC) Pipeline Project Grievance Mechanism⁴⁶

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

Some key elements of BTC's grievance mechanism included::

- Community Liaison Officers (CLOs) based in the field and responsible for receiving complaints and coordinating responses.
- A “Complaints Log” recording individual complaints, corrective actions taken and responses to complainants.

⁴⁶ Environmental and Social Management System Toolkit, International Finance Corporation (IFC) of the World Bank Group, 2007

- A two-week response time to all complaints (even if just a summary of proposed actions that will be taken to resolve the complaint.)
- All complaints responded to in writing (or verbally where circumstances warrant.)
- Recourse to pre-judicial and judicial process under host country law in cases where a satisfactory response to the complaint cannot be negotiated.
- Weekly and monthly reports prepared by the lead CLO detailing the number and status of complaints and any outstanding issues sent to the BTC Community Relationship Manager in each country.

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

6.2 Community Engagement Performance Evaluation Indicators and Tools

Rationale

Businesses should consider engagement with the community as a long-term job instead of a temporary effort targeting individual events. It is necessary to monitor and evaluate the effectiveness of each engagement activity and draw lessons to continuously improve the approach in the long-term engagement process. Moreover, monitoring the input and output of community engagement activities can assist the Community Engagement Department to explain to other departments and external partners the positive impacts of the engagement efforts on the project itself, the surrounding communities, and the corporate image in a more straightforward way, thus garnering more support.

Figure 7: Community Involvement Planning, Implementation, and Evaluation Cycle⁴⁷



⁴⁷ Source: Boston College Center for Corporate Citizenship

Action Points^{48 49}

- › Monitoring
 - › Visual observation: Physical walk-throughs at the facility and surrounding land; body language and interactions between community residents and project staff
 - › Interviews: What is the residents' opinion of the enterprise? Do they feel comfortable filing complaints?
 - › Document review: Looking through documents and records, complaint logs, etc.
- › Evaluation
 - › Set up an input and output evaluation form for community engagement activities (refer to [Tool 6.2-1])
 - › Identify the main objectives of conducting community engagement activities
 - › Develop monitoring and review indicators for community engagement activities

i

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

Input

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

Output

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

Outcome

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

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

Dos and Don'ts

- › Identify the long-term goal before evaluating a community engagement activity (for example, to reduce the number of complaints from the community or to reduce negative media coverage).
- › Set input and output indicators for a specific activity to improve the effectiveness of monitoring, such as the input and output of a community communication meeting.
- › The shift in the community's attitude towards the enterprise is also an important outcome indicator that can be measured through regular community interviews.
- ✗ **[DON'T]** Avoid monitoring only the number of community engagement activities rather than the details of specific activities.

48 Environmental and Social Management System Implementation Handbook, International Finance Corporation (IFC) of the World Bank Group, 2015

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

[Tool 6.2-1] Reference Indicators for Evaluating Community Engagement Activities

When evaluating a community engagement activity, select appropriate indicators from the three dimensions of input, output, and outcome. The main difference between output and outcome indicators is that the former is used to measure the direct results of a single or several activities, while the latter is used to measure the differences that a range of community engagement activities make in the long term. The selection of indicators should be based on the specific activities carried out, and the examples given in the table below can be used as a reference.

Table 23: List of Community Engagement Evaluation Indicators⁵⁰

Reference indicators that can be used to assess the input of community engagement activities		
Cash	Time	In-kind
<ul style="list-style-type: none"> › Donations to local communities › Scholarships and relief fund › Investment in community infrastructure construction › Costs of supporting employee involvement in volunteer services › Salaries of full-time community engagement staff › Costs of hiring external community engagement experts and teams › Costs of supporting relevant research at academic and research institutes 	<ul style="list-style-type: none"> › Employees' community volunteer time › Working hours of full-time community engagement staff › Employee participation in community infrastructure construction 	<ul style="list-style-type: none"> › In-kind donations to local communities › Construction facilities to aid community infrastructure building › Hardware support for conducting public meetings
Reference indicators that can be used to assess the output of community engagement activities		
<ul style="list-style-type: none"> › Number of participants in community communication meetings › Number of community interviews conducted at a certain stage › Number of training sessions for community engagement team members, number of trainees › Number of media reports on a community engagement activity › Number/% of employees who have volunteered 		
Reference indicators that can be used to assess the outcomes of community engagement activities		
<ul style="list-style-type: none"> › Comparison of support rate between projects that have carried out community engagement activities and those that have not › Profits from early project completion because of community support › Ease of approval by regulatory authorities › Number of community protests or interventions against the project, number of intervenors, and negative comments › Level of community involvement (information disclosure/consultation/community participation/cooperation/empowerment) › Community satisfaction and feedback › Benchmarking against industry peers › Number of media reports and the visibility of CSR projects (refer to [Tool 6.23] Media Report Record Form) › Awards and recognition › Employee participation in community building activities (volunteer time, project contribution) › Enthusiasm of community residents in applying to the company's job openings 		

⁵⁰ Determining the Value of Corporate Community Involvement, the Center for Corporate Citizenship at Boston College

[Tool 6.2-2] Example of Community Engagement Activity Input and Output Evaluation Form⁵¹

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

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

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

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

[Tool 6.2-3] Media Report Record Form⁵²

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

Table 24: Media Report Record Form

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

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

Step 7.

Emergency Plans: Resolving Emergency Crises

7.1 Making an Emergency Response Plan

Rationale

Most of the potential crises related to the community can be identified in advance using tools such as “Community Background Research”, “Stakeholder Identification”, and “Key Issue Identification” introduced in the previous sections, and countermeasures can also be taken to reduce the risk level. However, it is impossible to avoid emergencies completely. Companies can develop a detailed emergency response plan with focus areas identified based on likelihood and hazard assessments to minimize the likely damage to the company and the surrounding communities. Consider both emergencies that are caused by natural disasters or community conflicts, etc. and that affect the community when developing emergency response plans.

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

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Emergencies can be divided into the following three categories:

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

[Action Points] Emergency response plan should include the following points and involve surrounding communities⁵³

- › Risk assessment for an emergency
- › Procedures to respond to the identified emergency
- › Procedures to shut down equipment
- › Procedures to contain and limit pollution
- › Procedures for decontamination
- › Procedures for rescue and evacuation, including a designated meeting place outside the facility
- › Procedures for emergency information disclosure and notification, including but not limited to channels, objects, and staff in charge
- › PR procedures
- › Location of alarms and schedule of maintenance
- › List and location of equipment and facilities for responding to the emergency (fire-fighting equipment, spill response equipment, personal protection equipment for the emergency response teams, first-aid kits and stations)

53 Environmental and Social Management System Implementation Handbook – CONSTRUCTION, IFC

- › Identify staff responsible for the emergency
- › Protocols for the use of the emergency equipment and facilities
- › Schedule for periodic inspection, testing, and maintenance of emergency equipment
- › Clear identification of evacuation routes and meeting points
- › Schedule of training (drills)
- › Procedures for emergency drills
- › Emergency contacts and communication protocols, including with affected communities when necessary, and procedures for interaction with the government authorities
- › Procedures for periodic review and update of emergency response plans

Dos and Don'ts

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

[Tool 7.1-1] Crisis Management Press Release Template

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



An [accident] occurred at the [project name] of our Company in [location] at [time] on [day] [month], [year]. The contingency plan and remedial measures were adopted immediately. The situation is basically under control, with [number] person(s) dead and [number] injured. The accident has [level/no] influence on the daily life of local residents, [including 1.; 2.; and ...].

Located at [location], the project is [km] away from the [name of local community]. After the accident, it was reported instantly to the [competent authority], and Accident Inspection Group consisting of [related parties] was formed to examine the situation on site and hold a special meeting. An Onsite Accident Task Force has also been established to strictly execute the contingency plan.

A preliminary investigation reveals that the accident was caused by [the cause of the accident], when onsite workers were [technical process]. To prevent secondary accidents, as of the release, we have evacuated all the employees and equipment from the site. Warning signs are set up, and the entrance to the accident site is blocked. To ensure the safety, no one is allowed to enter the accident site without permission.

We will continuously follow up the progress of this accident and communicate essential information in a timely manner.

[Company Name]
[Day] [Month], [Year]

Case 7.1-1**Project Department of Nairobi-Maraba SGR Repairs Water-damaged Roads⁵⁴**

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

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

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

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

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

Case 7.1-2**PowerChina Nam Ou River Hydropower Project Successfully Handles Biggest Flood in 20 Years⁵⁵**

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

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

⁵⁴ <http://www.crbc.com/site/crbc/274/info/2018/46881967.html>

⁵⁵ <http://pr.powerchina.cn/gl63/s996/l7138.aspx>

early June, the water level in Grade V and VI power plant reservoirs was reduced to the dead water level in advance, adding 380 million m³ more capacity.

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

Preliminary estimates show that the flood caused different degrees of losses at the cascade power plants. Two automobiles parked at low-lying riverbed docks were damaged. Water got into some houses along the river. Large portions of roads on the left bank of the Nam Ou River Grade VI power plant got swept away, causing blockages. Unused concrete at the spillway aprons was destroyed by the flood.

At present, the company has arranged for several work groups to carry out relief and restoration in affected areas and prepare materials for claims settlement based on the degree of damage in an effort to minimize the losses and restore the cascade power plants back to normal operations.

7.2 Conflict and Crisis Management

Rationale

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

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

Action Points

- › Before a conflict occurs
 - › Record any conflicts or potential conflicts found during daily communication and community relationship building activities.
 - › Before a major conflict occurs, it is best for all parties to reach an agreement on conflict resolution procedures.
- › When a conflict occurs
 - › Strengthen security measures
 - If security staff are hired through a third party, look for inherent conflicts between them and the local residents in terms of ethnicity, religion, and political standings
 - Provide necessary training for security staff to avoid conflict escalation
 - › Identify and sort out conflicts by talking to other stakeholders and try to straighten out the following information
 - The context in which the conflict occurs (whether it originated from or related to other conflicts)
 - Identify all groups involved in the conflict
 - Identify the causes of the conflict
 - Understand the needs that are expected to be satisfied by groups involved in the conflict
 - › Internal communication
 - Report conflict-related information to the community engagement steering group, clarify the enterprise's stance, and determine issues about which negotiations and concessions can and cannot be made
- › Select means of communication for handling the conflict
 - › Negotiation and settlement: groups involved in the conflict can be convened at a multi-stakeholder symposium for negotiations
 - › When an agreement cannot be reached, seek a third-party individual/agency to be the mediator
 - Appoint a neutral third party that is recognized by both the enterprise and the community as the mediator
 - Make sure that all parties understand the rules and procedures of mediation
 - › If none of the above methods works, local official agencies (such as courts, governments, or the police) can be resorted to for help (only applicable to areas with sound legal systems).
- › Information Release

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

Dos and Don'ts

- › It is advisable for companies and communities to reach a consensus on conflict resolution procedures before a major conflict occurs, which includes mediators/agencies, mediation processes, operational procedures, etc., and ensure that community residents are aware of such information.
- › Some conflicts may result from leftover issues from owners of previous projects carried out locally, so try to reach out to all stakeholders to fully understand the background information before attempting to address them directly.
- › The most difficult part of many mediation processes is to get people to agree to participate. The only way to solve this problem is to prove that negotiation and mediation have the potential to produce better results than other methods.
- › When the negotiation is deadlocked, that is, when both sides are unable to obtain more benefits and unwilling to give up any interests, it is considered to be the best time for mediation.
- › When community residents think they are in a disadvantageous position in the mediation process, resistance occurs. Therefore, it is necessary to find a neutral mediator that both parties accept to make them see that their interests and needs will be given fair consideration.
- › The key to crisis management is to take a sensible approach in a short period of time.
- › Employees must be consistent; otherwise, the public will not believe it.
- › Seek help when necessary.
- › Open and sincere communication is a must, especially with the media.
- › A crisis management committee involving the highest leadership should be established.
- › Company leaders, especially project initiators, must appear as soon as possible at the scene of the crisis and give sincere condolences to the families of the victims.
- › An enterprise may be seen as the "victim or bad guy" by the public, usually depending on its social responsibility performance during the crisis and how it treats the media. The longer the crisis lasts, the more likely the enterprise will be seen as a "bad guy."
- › When a crisis occurs, it is not enough to just "comply". It is necessary to attach greater importance to social responsibility.
- x **[DON'T]** In the event of a crisis, avoid completely rejecting any plans to partner with the media or third-party agencies and attempting to block the news.
- x **[DON'T]** Avoid rushed handling of early warnings.
- x **[DON'T]** Avoid finger pointing with partners or contractors, which the public will take as an action of buck-passing and thus lose trust in the enterprise.

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