

# Bridging the Gap Between Stakeholder Engagement Policies and Implementation

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This presentation discussed the challenges and strategies related to social performance assessments, plans, and their implementation in large-scale development projects. It highlighted the gap between well-intentioned policies and their practical execution, emphasising the need for effective stakeholder engagement throughout project lifecycles.

## Abstract

In large-scale development projects, social performance is generally a structured process influenced by lender requirements and adherence to international standards. Consultants are often hired to conduct social and human rights impact assessments and to develop plans for stakeholder engagement, resettlement, and livelihood restoration prior to project implementation. However, the implementation of these assessments and plans frequently falls short due to various challenges, including limited integration within organisations, resource constraints, and pressure from stakeholders.

## Introduction

Environmental, Social, and Governance (ESG) criteria are crucial for securing funding for public-private partnership projects, as they help ensure compliance with international social performance standards. Companies are also motivated by Good International Industry Practices (GIIP) to avoid harm, respect human rights, and ensure transparency through stakeholder engagement. Despite these intentions, many social performance plans are inadequately implemented, leading to ineffective outcomes.

## Implementation and Challenges

### Application of Social Performance Assessments

Various countries require social assessments and financial reserves for community development in mining and other sectors. Major companies often establish social performance policies aligned with international guidelines, yet the implementation at operational levels often lacks coherence.

## Identified Gaps

1. **Limited consultant scopes:** Consultants frequently focus on specific assessments and plans without being involved in its implementation and monitoring.
2. **Resource constraints:** Mining operations and smaller organisations often struggle with overwhelming ESG demands and insufficient staff, leading to disengagement from social performance responsibilities.
3. **Cost-saving measures:** Some proponents opt for cheaper, less comprehensive assessments, undermining the quality of social performance.
4. **Divergent focus areas:** Different stakeholders involved in social performance may have conflicting priorities, resulting in a lack of cohesive strategy.
5. **Underestimated social impacts:** Decision-makers may encourage role-players to overlook negative social impacts in favour of perceived benefits, particularly in sectors like renewable energy.

## Suggested Framework for Improvement

To address the identified gaps, a framework was proposed that emphasises continuous integration of social performance assessments throughout project lifecycles. Key recommendations include:

- Employing an evidence-based approach in community development.
- Practicing social impact assessments as ongoing processes rather than static deliverables.
- Treating external stakeholders as individuals with unique needs.
- Utilising institutional knowledge to enhance assessments and planning.
- Enhancing communication and accountability among all project role-players.

## Behaviours for Effective Engagement

To improve stakeholder interactions, it is also suggested that behaviours such as the following are adopted:

- Looking beyond obvious impacts to understand indirect effects.
- Acknowledging past experiences of stakeholders to build trust.
- Encouraging ongoing feedback throughout project lifecycles.
- Recognising the diverse values and principles of all individuals involved.
- Promoting integration across project teams to ensure alignment of goals.

## Conclusion

Addressing the challenges in implementing social performance assessments requires a multifaceted approach that includes better stakeholder engagement (including

internally) and a commitment to continuous improvement. By adopting the proposed strategies and behaviours, organisations can enhance the effectiveness of their social performance initiatives and ensure more inclusive stakeholder engagement throughout the project lifecycle.