**Stakeholder Engagement Plan (SEP)**

Strengthening Government Capacity for Fiscal Reform Implementation(P506476)

**September 2024**

## 1. Introduction/Project Description

The Strengthening Government Capacity for Fiscal Reform Implementation (STRONG) Project is part of the strategic response framework of the World Bank addressing the global impacts of Russia’s invasion of Ukraine. This project supports the priority themes outlined in the World Bank Group's Strategy for Fragility, Conflict, and Violence 2020-2025. The Project will be funded by the Ukraine Relief, Recovery, Reconstruction, and Reform Trust Fund, which aims to provide a coordinated financing and support mechanism to assist the Government of Ukraine in planning and implementing its recovery, resilient reconstruction, and reform agenda. Consequently, the implementation of Ukrainian programs such as the PIM Reform Roadmap, PFM Reform Program, and National Revenue Strategy will be supported by this project, focusing on priority reforms that will build capacity for reconstruction and recovery. The Project includes six components:

**Component 1: Public Investment Management (PIM) for Reconstruction (US$2.5 million).** This component aims to provide advisory support and training to strengthen the management of public investments for reconstruction. The component will be implemented by the Ministry of Finance (MoF) in coordination with the Ministry of Economy (MoE) and the Ministry of Communities, Territories and Infrastructure (MoI). The component includes the following activities:

* Institutional development: identification of international good practices and provision of technical assistance on public investment project preparation, prioritisation and monitoring processes; establishment of mechanisms for knowledge sharing and capacity building among sectors involved in PIM; analytical support and identification of international good practices on PIM methodologies required for sector-specific investment projects; capacity building of newly established PIM units in the MoF and MoE, as well as existing PIM units in the Ministry of Finance and the Ministry of Economy.
* Integration of PIM systems: assessment of functional gaps in IT systems; assessment of technical compatibility; identification of necessary middleware and data standards; assessment of governance processes required to oversee information exchange. The project will not finance the procurement or implementation of IT hardware or software.
* Mainstreaming climate change into PIM: Identifying best practices for establishing climate change adaptation and mitigation criteria for planning and PIM in Ukraine, including climate change considerations in project appraisal and selection, climate risk assessment, shadow carbon pricing, and providing training materials on best practices and principles of green investment.

**Component 2: Support to Planning Systems and Subnational Planning and Reconstruction Activities (US$2.5 million).** This component is aimed at strengthening urban planning systems at the subnational level, as well as developing integrated spatial development plans in cities. The component will be implemented by the Ministry of Infrastructure in coordination with the Ministry of Finance. The component includes the following activities:

* Strengthening the data collection system for urban planning: analysis of spatial data collection systems for urban planning and development; development and implementation of digital data collection tools that can be used at the level of central authorities to incorporate climate change considerations into urban planning while ensuring compliance with ISO standards for spatial development data collection methodologies; reviewing legislation to support the reform of the data collection and urban planning system, including defining institutional mandates, powers and responsibilities of institutions at the decentralised level, and addressing any issues related to duplication of such functions;
* Development of comprehensive community spatial development plans: damage and impact assessments; analysis of spatial, economic, infrastructure and demographic issues; development of comprehensive spatial development plans that take into account climate considerations; identification of financial resources for investments to support these plans in selected communities. The support will focus on medium and large urban communities with complex infrastructure, which will be selected based on criteria prepared by the Ministry of Infrastructure (including capacity, population and security constraints).

**Component 3: Local Government Fiscal Governance for Recovery (****US$1.0 million).** This component is aimed at strengthening financial management, resource allocation and budget transparency. The component will be implemented by the Ministry of Finance. The component includes the following activities:

* Population and service assessments: improvement of data analysis methods for population and service user assessments; development of a methodology for determining the cost of services; strengthening the capacity of local government staff in data management and analysis.
* Budgeting guidelines: development of performance indicators, including those related to climate and gender issues, in line with local priorities; development of mechanisms for allocating budget funds using targeted indicators; training of local government officials on the programmatic targeting method of budgeting, including climate change and gender equality measures.

**Component 4: Integrity and Compliance in Revenue Administration (****US$0.5 million).** This component is aimed at strengthening the integrity and compliance of the revenue administration processes. The component will be implemented by the Ministry of Finance in coordination with the State Tax Service. The component includes the following activities:

* Integration of the STS systems for revenue administration: diagnostics of technical and functional gaps in the integration of the information system used for tax administration with state registers and databases, as well as capacity building and technical support, including testing and implementation of system integration.
* Compliance risk management: analytical support and identification of good international practices for the development of risk profiling by segment and risk-based responses; training of tax officers in risk assessment and response.

**Component 5:** **Public Procurement Management for Recovery (US$0.5 million).** The component supports the review of procurement and budgeting systems, policy-level training on early contracting, and the removal of bottlenecks in the implementation of national and IFI-funded projects. The component provides training on the processes related to World Bank-financed projects and the use of standard procurement documents and contractual terms and conditions to procurement staff in the Ministry of Finance, the Ministry of Economy, and the Ministry of Infrastructure, as well as other implementing agencies on the processes related to World Bank-financed projects. It strengthens the use of framework agreements by procuring entities, strengthens the use of risk-based procurement indicators by the State Audit Service of Ukraine (SASU), supports the professionalisation of procurement, promotes the involvement of civil society organisations (CSOs) in monitoring procurement, and advocates for sustainable and environmentally friendly procurement.

**Component 6: Project Management and Operational Support (US$3.0 million).** This component will finance advisory services and capacity building to support the implementation of both the STRONG and SURGE projects, project management, supervision and stakeholder engagement to ensure successful implementation and monitoring of the Programme. The sub-component will be implemented by the Ministry of Finance. The component includes the following activities:

* Project Management. This subcomponent supports: staffing, operating costs and capacity building of project management staff in the MoF, MoE, and MoI; capacity building initiatives aimed at strengthening the capacity to manage and implement the PforR.
* Communications and Stakeholder Engagement. This sub-component supports: the development and implementation of an information and communication strategy to disseminate information on project achievements and engage stakeholders; conducting stakeholder surveys, workshops and forums to solicit feedback and facilitate dialogue; and producing communication materials and conducting information campaigns to raise awareness of project objectives and results.
* Independent verification agent. This sub-component supports the contractual engagement of an Independent Verification Agent to verify the achievement of disbursement linked results (DLRs) under the SURGE PforR.

STRONG is being prepared under the World Bank’s Environment and Social Framework (ESF). Per Environmental and Social Standard ESS10 on Stakeholder Engagement and Information Disclosure, the implementing agencies should provide stakeholders with timely, relevant, understandable, and accessible information, and consult with them in a culturally appropriate manner, which is free of manipulation, interference, coercion, discrimination, or intimidation.

**2. Objective/Description of SEP**

The World Bank’s ESS 10 recognizes the importance of open and transparent engagement with all project stakeholders, based on the recognition that effective stakeholder engagement can improve environmental and social (E&S) sustainability of project activities, enhance project acceptance, and implementation, and allow stakeholders to contribute to project design. The key objectives of stakeholder engagement include an assessment of the level of interest and support of the project by stakeholders to promote effective and inclusive engagement with all project-affected parties and to ensure that project information on E&S risks and impacts is disclosed in a timely and understandable way.

The WB’s ESS10 also sets out that a Borrower has to engage with stakeholders as an integral part of a project’s environmental and social assessment and project design and implementation. The nature, scope and frequency of the engagement should be proportional to the nature and scale of the project. Consultations with stakeholders have to be meaningful and be based on stakeholder identification and analysis, plans on how to engage stakeholders, disclosure of information, actual consultations, as well as responses to stakeholder grievances and reporting back to stakeholders. Meaningful stakeholder engagement throughout the project cycle is an essential aspect of good project management and provides opportunities for Borrowers to learn from the experience, knowledge, and concerns of the affected and interested stakeholders, and to manage their expectations by clarifying the extent of the Borrower’s responsibilities and resources.

The overall objective of this SEP is to define a program for improved preventive preparedness, fast respond in crisis and enhance coordination and cooperation between national authorities and stakeholders’ joint engagement, including fast public information disclosure and strengthening consultation.

This SEP is designed to anchor all stakeholder engagement in a systematic way for the Strengthening Government Capacity for Fiscal Reform Implementation project. It lays out legal and policy requirements in regard to stakeholder engagements. The SEP further outlines the ways in which the designated project team will communicate with affected stakeholders and the public. This through establishment of a mechanism by which people can address concerns, provide feedback, or make complaints or awareness about project activities or any activities related to the Strengthening Government Capacity for Fiscal Reform Implementation (STRONG) project.

*SEP is a living document and could be udated and redisclosed during project implementation.*

## 3. Stakeholder identification and analysis

## 3.1 Methodology

In order to meet best practice approaches, the project will apply the following principles for stakeholder engagement:

* *Openness and life-cycle approach:* Public consultations for the project(s) will be arranged during the whole life cycle, carried out in an open manner, free of external manipulation, interference, coercion, or intimidation.
* *Informed participation and feedback:* Information will be provided to and widely distributed among all stakeholders in an appropriate format; opportunities are provided for communicating stakeholder feedback, and for analyzing and addressing comments and concerns.
* *Inclusiveness and sensitivity:* Stakeholder identification is undertaken to support better communications and build effective relationships. The participation process for the projects is inclusive. All stakeholders at all times are encouraged to be involved in the consultation process. Equal access to information is provided to all stakeholders. Sensitivity to stakeholders’ needs is the key principle underlying the selection of engagement methods. Special attention is given to vulnerable groups that may be at risk of being left out of project benefits, particularly women, the elderly, persons with disabilities, displaced persons, and migrant workers and communities, and the cultural sensitivities of diverse ethnic groups.
* *Flexibility:* If social distancing, cultural context (for example, particular gender dynamics), or governance factors (for example, high risk of retaliation) inhibits traditional forms of face-to-face engagement, the methodology should adapt to other forms of engagement, including various forms of internet- or phone-based communication. Within the current context of the war in Ukraine, stakeholder engagement is constrained by martial law.

### **3.2. Affected parties and other interested parties [[1]](#endnote-1)**

Affected parties include local communities, community members, and other parties that may be subject to direct impacts from the Project. The projects’ stakeholders also include parties other than the directly affected communities. include NGOs or civil society groups at the local and national levels, business owners and providers of services within the project area, other government officials].

Specifically, the following individuals and groups fall within these two categories:

| ***Stakeholder group*** | ***Interests*** | ***Influence*** |
| --- | --- | --- |
| ***Interest*** | ***Impact*** |
| **Project-affected parties** |
| Local communities  | * Improved services;
* Enhanced engagement processes;
* Transparent communication channels.
 | Medium | Medium |
| Businesses | * Improved quality and accessibility of government services, such as territorial development planning, fiscal risk assessment, and green investment initiatives
 | Medium | Medium |
| **Other interested parties** |
| Government of Ukraine, Ministry of Finance of Ukraine | * Speed of delivery – demand for results quickly
* Providing meaningful support during Project implementation
 | High | High |
| National Government Agencies and Ministries:Ministry of Finance,Ministry of Economy, Ministry for Community, Territorial and Infrastructure DevelopmentState Agency for Restoration and Infrastructure Development of Ukraine | * Enhanced investment management, monitoring and evaluation at the national level;
* Increased capacity for PIM Reform Roadmap, PFM Reform Program, and National Revenue Strategy preparation and implementation;
* Improved and integrated IT systems for advanced investment management;
* Technical assistance for programs implementation
 | High | High |
| Local Government Authorities  | * Enhanced investment management, monitoring and evaluation at the local level;
* Enhanced the planning for development and implementation of recovery and reconstruction activities in conflict-affected communities;
* Enhanced fiscal local governance;
* Effective budgeting;
* Increased capacity
 | High | High |
| State Tax Service of Ukraine | * Enhanced system integration and data sharing;
* Improved compliance risk management strategies
 | High | Medium |
| National and local media and NGOs | * Minimizing risk of Project benefits lost to corruption
* Transparency, accountability, and robust public information flow about Project activities
* Representing the interests of vulnerable groups.
 | Medium | High |
| Engaged to the Project implementation experts and consultants | * Providing support and technical assistance to Project implementation
 | High | Medium |
|

|  |
| --- |
| Independent Verification Agents |

 |

|  |
| --- |
| * Transparent verification of project outcomes
 |

 | Medium | Medium |
| Donors | * Providing financing, supervision and monitoring of implementation
 | High | High |

### **3.3. Disadvantaged/vulnerable individuals or groups[[2]](#endnote-2)**

Disadvantaged and vulnerable individuals and groups often lack the ability to voice their concerns or fully understand the impacts of a project, which can lead to their exclusion from stakeholder engagement processes. The STRONG project aims to support comprehensive reforms with nationwide impacts, ultimately benefiting all Ukrainian citizens by improving the quality and accessibility of government services. These services include territorial development planning, fiscal risk assessment, and green investment initiatives. Among the beneficiaries are vulnerable and disadvantaged groups who may require specialized engagement and communication approaches to ensure their inclusion and address their specific needs.

In the context of Ukraine, the following vulnerable groups can be identified:

a) Internally displaced persons (IDPs) as a result of the ongoing war;

b) People with disabilities who may face significant barriers in accessing services;

c) Marginalized ethnic communities, such as the Roma, who often experience social exclusion;

d) Rural populations that are disadvantaged in terms of physical and digital connectivity, limiting their access to essential services and opportunities;

e) Elderly individuals who may face mobility and accessibility challenges;

f) Women and children, particularly in areas affected by conflict, who may be at increased risk of exploitation and violence;

g) Low-income families who may lack the resources to access government services.

Although the project does not specifically target these groups, their needs should be integral to the capacity-building activities and systems supported by the project. Ensuring that these groups are considered will help create more inclusive and effective reforms.

Vulnerable groups within the communities affected by the project may be further identified, confirmed, and consulted through dedicated and culturally sensitive means as appropriate. This will ensure their voices are heard and their concerns are addressed.

## 4. Stakeholder Engagement Program

### **4.1. Summary of stakeholder engagement done during project preparation**

Prior consultation for the SEP and other project-related information involve placing it in the public domain prior to appraisal with announcement of a public consultation period and opportunity to register comments and suggestions during the disclosure period. Since key interested and affected stakeholders are currently living and working under circumstances of extreme volitivity associated with the evolving Russian military invasion and continued spread of COVID-19 in Ukraine and around the world face-to-face consultations are not advisable. However, the technical stakeholder engagement meeting with all relevant ministries and NGO’s took place to exchange on the project implementation challenges and emergency procedures in place in each participating agency and government institution regarding public disclosure and GRM awareness.

Main discussion focused round project component that involves fiscal management at the local level and improvement of the local transfer system. One of the NGO expressed concern on trends toward centralization of the decision-making power and flow of funds at the local level while decentralization reform is under way and there is different level of the financial capacity/awareness among communities. The recommendation was to examine how funds are distributed between central and local budgets and provide more details on the mechanisms that will be used for local transfers and outline if there is support planned for the development of legislative initiatives regarding decentralization under STRONG or complimentary SURGE projects documentation.

The environmental and social reports and plans will be disclosed through MoF website . Feedback received during consultations will be summarized and information about how comments were taken into account will be incorporated into the SEP. A summary of the main recommendations received and integrated into the Stakeholder Engagement Plan will be provided.

### **4.2. Summary of project stakeholder needs and methods, tools, and techniques for stakeholder engagement**

Different engagement methods are proposed and cover different stakeholder needs for the different activities, as stated described in the table below.

**4.3. Proposed Strategy for Consultation and Stakeholder Engagement**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Method / Tool** | **Description/Use** | **Contents** | **Dissemination Method** | **Target Groups** |
| **Information Provision** |
| Publications on official web sites and other official channels in social media  | Used to convey information on the Project and regular updates on its progress  | Disclosure of official project information and ESCP, SEP, GM submission channels, etc.  | Publication of information | All project stakeholders |
| Distribution of information via official email addresses | Informing and involvement to the project preparation and implementation | Information about the Project preparation and implementation, reporting, monitoring. | Email | National Government Agencies and Ministries, Donors, Local Government Agencies |
| **Consultation and Participation** |
| Public dissemination of information through social and mass media and provision of contact information and request for feedback response  | Project representatives, the affected public, authorities, regulatory bodies and other stakeholders for detailed discussion on a specific activity or facility that is planned by the Project. | Summary information on the activity and/or facility in question, including a presentation and an interactive Questions & Answers session with the audience. | Announcement of public consultation period, targeted Invitations; Public disclosure of Project materials in advance of consultation period. Free access to register comments and suggestions during disclosure period | All stakeholders |

**Proposed Strategy for Information Disclosure**

The information will be disclosed in both, Ukrainian and English languages.

|  |  |  |
| --- | --- | --- |
| **Stakeholder group** | **Project information shared `** | **Means of communication disclosure** |
|  National Government Agencies and Ministries:Ministry of Finance,Ministry of Economy, Ministry for Community, Territorial and Infrastructure DevelopmentState Agency for Restoration and Infrastructure Development of UkraineLocal Government AuthoritiesState Tax Service of UkraineEngaged to the Project implementation experts and consultantsDonors | * Summary project objectives and general information. Regular updates on project implementation
* Environmental and social commitment plan
* Stakeholder engagement plan and other ESF related documents
* Grievance mechanism
 | Official emails; Disclosure on official websites, social networks and national media; Government and Public notices. Electronic publications and press releases on the official web sites |
| National media and NGOsCitizens of UkraineBusinessess | * Summary project objectives and general information
* Stakeholder engagement plan and other ESF related documents
* Grievance mechanism
 | * Public notices, publications and press releases on the official websites. Public information requesting according to the Law of Ukraine “On access to public information”
 |
| Local media and NGOsLocal communitiesBusinessess | * Public notices in local media and offices, communication with local population and other local stakeholders
 |
| Vulnerable and disadvantaged groups | * Information for vulnerable groups will be published using multiple formats such as braille, large print, audio recordings, and translations;
* Distribution of the information through NGOs;
* Publish information in locations accessible for vulnerable and disadvantaged groups like community centers and health clinics
 |

### **4.4. Reporting back to stakeholders**

Stakeholders will be kept informed as the project develops, including reporting on project environmental and social performance and implementation of the stakeholder engagement plan and Grievance Mechanism, and on the project’s overall implementation progress.

## 5. Resources and Responsibilities for implementing stakeholder engagement activities

### **5.1. Resources**

Using existing agencies and mechanisms with a proven track record is an effective approach for implementing relief and recovery operations. Given the urgency for expedient and effective implementation, STRONG will capitalize on existing institutions, platforms, and mechanisms (such as GRM, stakeholder engagement channels, etc.) that are trusted, acceptable to the Bank and have the capacity to facilitate the implementation of project-finance activities. The MOF, as the implementing agency for STRONG, is highly experienced with solid institutional capacity in place, developed during the preparation and implementation of Ukraine Emergency Public Services Support Project (PEACE) Project financed by WB.

The overall responsibility for the project implementation, including the E&S-related aspects, lies with the Project Implementing Unit (PIU) within MOF.

The Project will maintain a dedicated, itemized budget for implementing the SEP including staffing; communications and outreach activities; consultation events; and training. It should be noted that technical assistance activities procured under the project should include the costs of stakeholder engagement and information disclosure activities consistent with the SEP, in view of activity specific stakeholder consultations and information dissemination. The source of funding is the Project budget.

### **5.2. Management functions and responsibilities**

The main entity responsible for carrying out stakeholder engagement activities are the members of the Project Implementing Unit (PIU) within MOF.

The stakeholder engagement activities under the project will be documented through semi-annual reporting on project implementation.

## 6. Grievance Mechanism

The main objective of a GM is to assist to resolve complaints and grievances in a timely, effective, and efficient manner that satisfies all parties involved. The project’s GM, which is not limited to safeguards, allows for two-way communication between citizens and the government and establish multiple channels to receive not only grievances but also feedback from citizens. The SEP may be periodically updated during project implementation to ensure that information is consistent, that methods of engagement remain appropriate and effective, and that any major changes to project activities and schedule are reflected. The grievance mechanism will be designed to receive and facilitate the prompt, effective and transparent resolution of Project-related concerns and grievances, including those submitted anonymously, taking into account the law regarding grievance redress, in a manner that is culturally appropriate and easily accessible to all Project-affected parties, provides for free and non-reprisal, and is consistent with ESF 10.

### **6.1. Description of GM**

|  |  |
| --- | --- |
| **Objective:** | To strengthen transparency and accountability to beneficiaries and provide channels for project stakeholders to provide feedback and/or express grievances related to project supported activities.  |
| **Aims:** | Identification and resolution of issues affecting the project; reduce the risk of the project inadvertently affecting citizens/beneficiaries; obtain feedback and learning to help improve project impact |
| **Activities:** | Receive, record, evaluate and address complaints and concerns from project affected parties and citizens at project level and escalate for further response as needed.  |
| **Scope:** | GM will be available for project stakeholders (especially project beneficiaries and those directly or indirectly affected, positively or negatively, by the project) and other interested parties to submit questions, comments, suggestions and/or complaints, or provide any form of feedback on all project-funded activities. |
| **Management**: | The GM is managed by the MoF |
| **Legal basis:** | Citizens’ appeals, complaints and recommendations procedure is specified in the Law On Citizens’ Appeals and amendments to the latter through the 2015 amendment on Electronic Petitions. According to the mentioned law and Constitutional Article 40, the Project proposes the following channels through which ball interested parties can make complaints regarding project-funded activities |

|  |
| --- |
| **Grievance Procedure** |
| **Dissemination of GRM** | Information included in SEP and available at the MoF website, disseminated in communications with stakeholders.  |
| **Channels for submitting complaints** | **MoF:****By Email:** infomf@minfin.gov.ua (for legal entities)zvernennya@minfin.gov.ua (for individuals)**Postal means of communication:**11 Mezhigirska str., Kyiv, 04071Web page: [www.minfin.gov.ua](http://www.minfin.gov.ua)**Governmental contact center:** Web page: <https://ukc.gov.ua/>telephone number of the government hotline - 1545In person: at the above addresses or at the addresses of delegated authority by the latterAnonymous complaints: may be submitted without personal details. Anonymous complaints will be investigated but the complaining party must initiate contact with the MoF to obtain a response to the complaint investigation.Confidentiality will be ensured in all instances, including when the person making the complaint is known.  |
| **Receipt**  | All complaints received by the Ministry of Finance are centrally registered in the electronic document management system ASKOD by the Department of Document Management and Control over the Execution of Documents and are sent to the management of the Ministry of Finance in accordance with the division of responsibilities to determine the executor.According to the Project documents, the First Deputy Minister of Finance is the Project Coordinator.Upon receipt of a complaint under the Project, the head of the PIU shall immediately notify the PIU of the complaint and forward it to the responsible person for consideration by the PIU.The Project Coordinator must ensure that there is no conflict of interest, i.e. all persons involved in the grievance process must not have any material, personal or professional interest in its outcome, as well as no personal or professional ties with complainants or witnesses. |
| **Recording** | Once the investigation process has been established, the person responsible for managing the GM records and enters this data into the GM log. The number and type of suggestions and questions should also be recorded and reported so that they can be analyzed to improve project communications.  |
| **Investigation** | In accordance with the Law of Ukraine ‘On Citizens’ Appeals’, appeals are considered and resolved within a period of no more than one month from the date of their receipt, and those that do not require additional study are considered immediately, but no later than fifteen days from the date of their receipt. If it is impossible to resolve the issues raised in the appeal within one month, the head of the relevant body or his/her deputy shall set the necessary time limit for its consideration, which shall be communicated to the person who submitted the appeal. In this case, the total period for resolving the issues raised in the appeal may not exceed forty-five days. |
| **Evaluation** | A person responsible for investigating the complaint will gather facts in order to generate a clear understanding of the circumstances surrounding the grievance. The investigation/follow-up can include site visits, review of documents and a meeting with those who could resolve the issue. Results of investigation and the proposed response to the complainant will be presented for consideration to the Project Coordinator, who will decide on the course of action. Investigation deadline may be extended by 30 working days by the Project Coordinator, and the complainant informed about this fact, in the event that: 1. additional consultations are needed to provide response to the complaint;
2. the complaint refers to a complex volume of information and it is necessary to study additional materials for the response.
 |
| **Handling of SEA/SH complaints** | Ensure (i) referral of survivors to support services (health, legal, psychosocial, security and other assistance), based on the consent, needs and wishes of survivors; (ii) linkage to the domestic legal system (based on the consent of survivors unless the reporting to the law enforcement agencies is mandatory in Ukraine). Unlike other types of issues, SEA/SH Grievance Mechanisms do not conduct investigation, make any announcements, or judge the veracity of allegations; and (iii) determination of the likelihood that SEA/SH allegations relate to the Project. If a SEA/SH incident is confirmed, an employer is expected to take a corrective action against the perpetrator.  |
| **Escalation** | Appeals that cannot be resolved within one month shall be referred to the head or deputy of the organization to define necessary time for its consideration, and report about it to the person who filed the appeal (entire term for resolving issues raised in the appeal may not exceed forty-five days). |
| **Response to complainant** | The complainant will be informed about the results of verification via letter or email, as received. The response shall be based on the materials of the investigation and, if appropriate, shall contain references to the national legislation.  |
| **Monitoring and reporting** | Project coordinator will provide a monthly/quarterly snapshot of GM results, including any suggestions and questions, to the project team and the management, and review the status of complaints to track which are not yet resolved and suggest any needed remedial action. |
| **Progress reports submitted to the World Bank** | In the semi-annual project implementation reports submitted to the Bank, MoF will provide information on the following: * Status of establishment of the GM (procedures, staffing, awareness building, etc.);
* Quantitative data on the number of complaints received, the number that were relevant, and the number resolved;
* Qualitative data on the type of complaints and answers provided, issues that are unresolved;
* Time taken to resolve complaints;
* Number of grievances resolved at the lowest level, raised to higher levels;
* Any particular issues faced with the procedures/staffing or use;
* Factors that may be affecting the use of the GM/beneficiary feedback system;
* Any corrective measures adopted.
 |
| **Referral to World Bank GRS** | Communities and individuals who believe that they are adversely affected by a WB supported project may submit complaints to the above project-level GM or the WB’s Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB’s independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank’s attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank’s corporate Grievance Redress Service (GRS), please visit: http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service. |

The project will establish and operate a responsive Grievance Mechanism to allow Project Workers under ESS2 to inform management of labor issues and raise workplace concerns and labor-related matters without retaliation. This mechanism will use the same uptake channels of the project's overall GM but follow separate avenues for the resolution of labor-related complaints and shall be further detailed in the Project Operations Manual.

The World Bank and the Borrower do not tolerate reprisals and retaliation against project stakeholders who share their views about Bank-financed projects.

## 7. Monitoring and Reporting

### **7.1. Summary of how SEP implementation will be monitored and reported**

MOF will maintain a database and activity file detailing all public consultation, disclosure information and grievances collected throughout the Project, which will be available for public review on request.

MOF will also closely monitor the effective implementation of all safeguards’ instruments.

MOF will prepare and will submit to WB and other interested parties the semiannually Project’s progress reports that will include the information on stakeholder engagement activities, which will include:

* Activities conducted;
* Public outreach activities (meetings with stakeholders and newsletters);
* Entries to the grievance register;
* New stakeholder groups (where relevant).

### 7.2. Reporting back to stakeholder groups

The SEP will be periodically revised and updated as necessary in the course of project implementation. semiannually summaries and internal reports on public grievances, enquiries, and related incidents, together with the status of implementation of associated corrective/preventive actions, will be collated by responsible staff and referred to the senior management of the project. The semiannual summaries will provide a mechanism for assessing both the number and nature of complaints and requests for information, along with the Project’s ability to address those in a timely and effective manner. Information on public engagement activities undertaken by the MOF during the year may be conveyed to the stakeholders through the publication of Reports and publications on the MOF official website.

**Annex and glossary terms**

|  |  |
| --- | --- |
| **Affected Parties** | persons, groups and other entities within the Project Area of Influence (AoI) that are directly influenced (actually or potentially) by the project and/or have been identified as most susceptible to change associated with the project, and who need to be closely engaged in identifying impacts and their significance, as well as in decision-making on mitigation and management measures; |
| **Other Interested Parties** | individuals/groups/entities that may not experience direct impacts from the Project but who consider or perceive their interests as being affected by the project and/or who could affect the project and the process of its implementation in some way;  |
| **Vulnerable Groups** | persons who may be disproportionately impacted or further disadvantaged by the project(s) as compared with any other groups due to their vulnerable status and that may require special engagement efforts to ensure their equal representation in the consultation and decision-making process associated with the project(s). |
| **Consultation** | The process of providing stakeholders with opportunities to express their views on project opportunities, risks, impacts and mitigation measures by gathering information or advice from stakeholders and taking these views into account when making project decisions and/or setting targets and defining strategies. |
| **Disclosure** | The provision of information as a basis for consultation with project stakeholders. Involves prior disclosure and dissemination of relevant, transparent, objective, meaningful and easily accessible information in a timeframe that enables meaningful consultations with stakeholders in a culturally appropriate format, in relevant local language(s) and is understandable to stakeholders; |
| **Engagement** | A continuous two-way process in which an implementing agency, company or organization builds and maintains constructive and sustainable relationships with stakeholders impacted over the life of a project. This is part of a broader stakeholder engagement strategy, which also encompasses governments, civil society, employees, suppliers, and others with an interest in the Project. |
| **Principles for stakeholder engagement:**  | Openness and life-cycle approach: public consultations for the project(s) will be arranged during the whole lifecycle, carried out in an open manner, free of external manipulation, interference, coercion or intimidation; Informed participation and feedback: information will be provided to and widely distributed among all stakeholders in an appropriate format; opportunities are provided for communicating stakeholders’ feedback, for analyzing and addressing comments and concerns; Inclusiveness and sensitivity: stakeholder identification is undertaken to support better communications and build effective relationships. The participation process for the projects(s) is inclusive. All stakeholders at all times encouraged to be involved in the consultation process. Equal access to information is provided to all stakeholders; Sensitivity to stakeholders’ needs is the key principle underlying the selection of engagement methods. Special attention is given to vulnerable groups, in particular women, youth, elderly including diverse ethnic groups. |

**Endnotes**

1. For the purposes of effective and tailored engagement, stakeholders of the proposed project(s) can be divided into the following core categories:

	* **Affected Parties:** Persons, groups, and other entities within the Project Area of Influence (PAI) that are directly influenced (actually or potentially) by the project and/or have been identified as most susceptible to change associated with the project, and who need to be closely engaged in identifying impacts and their significance, as well as in decision-making on mitigation and management measures.
	* **Other Interested Parties:** Individuals/groups/entities that may not experience direct impacts from the Project but who consider or perceive their interests as being affected by the project and/or who could affect the project and the process of its implementation in some way.
	* **Vulnerable Groups:** Persons who may be disproportionately impacted or further disadvantaged by the project(s) compared with any other groups due to their vulnerable status, and that may require special engagement efforts to ensure their equal representation in the consultation and decision-making process associated with the project.
	* It is important to note that sometimes projects have different components with very different sets of stakeholders for each component. Those different stakeholders should be considered in preparing the SEP. [↑](#endnote-ref-1)
2. It is particularly important to understand whether project impacts may disproportionately fall on disadvantaged or vulnerable individuals or groups, who often do not have a voice to express their concerns or understand the impacts of a project, and to ensure that awareness raising and stakeholder engagement be adapted to take into account such groups’ or individuals’ particular sensitivities, concerns, and cultural sensitivities and to ensure a full understanding of project activities and benefits. Engagement with vulnerable groups and individuals often requires the application of specific measures and assistance aimed at the facilitation of their participation in the project-related decision making so that their awareness of and input into the overall process are commensurate with those of other stakeholders. [↑](#endnote-ref-2)