UNDP Proposed Stakeholder Response Mechanism (SRM): Assessment of Country Office and Regional Bureau/Service Center Perspectives on Responding to Stakeholder Concerns and Using the SRM

DRAFT Report
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1. Introduction and purpose of the Assessment

UNDP is in the process of approving and implementing mandatory Social and Environmental Standards (SES)[1] for all of UNDP's projects and programmes, as part of the UNDP's quality assurance process outlined in UNDP Strategic Plan Integrated Results and Resources Framework (IRRF)[2].

The Standards will be underpinned by an Accountability Mechanism with two key components: 1) a Compliance Review to respond to claims that UNDP is not in compliance with applicable environmental and social policies; and 2) a Stakeholder Response Mechanism (SRM) that ensures individuals, peoples, and communities affected by projects have access to appropriate grievance resolution procedures for hearing and addressing project-related complaints and disputes.

UNDP's Stakeholder Response Mechanism is intended to supplement proactive stakeholder engagement by UNDP and its Implementing Partners throughout the project cycle. Effective stakeholder engagement creates opportunities to resolve issues that would otherwise lead to conflict. Left unaddressed, significant problems can fester, creating conflict that delays a project, increases project costs, and sometimes halts the project.

The SRM provides an additional, formal avenue for stakeholders to engage with UNDP when they believe that a UNDP project may have adverse social or environmental impacts on them; they have raised their concerns with Implementing Partners and/or with UNDP through standard channels for stakeholder consultation and engagement; and they have not been satisfied with the response. The SRM provides a way for UNDP to address these situations systematically, predictably, expeditiously, and transparently. Through the SRM, UNDP Country Offices (COs), Regional Bureaux (RBx) and Service Centers (RSCs) and Headquarters (HQ) collaborate in a thorough, good faith effort to resolve outstanding concerns to the satisfaction of all parties, and to document the results to ensure accountability and promote organizational learning.

This assessment of UNDP COs, RBx and RSC perspectives on responding to stakeholder concerns and on the design of the Stakeholder Response Mechanism is intended to inform the development and implementation of the Stakeholder Response Mechanism, by:

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[1] For more information on the Standards, click here.

[2] The UNDP Strategic Plan Integrated Results and Resources Framework (IRRF) translates the Strategic Plan 2014-2017 into results that allow UNDP and stakeholders to monitor achievements, learn lessons, and hold the organization accountable for the funds entrusted to it. See the IRRF here: http://www.undp.org/content/dam/undp/library/corporate/Executive%20Board/2013/Second-regular-session/English/dp2013-40_ANNEX%20II.doc

a) Ensuring the SRM is appropriately designed to be useful for project stakeholders and manageable for UNDP CO and regional staff;
b) Contributing to the design of a capacity building workshop and on-line trainings to give COs and regional staff the tools and skills they need to set up and operate the SRM;
c) Clarifying longer-term capacity needs for COs/RSCs, and planning for longer-term capacity development.

2. Assessment process: interview format, key questions, persons interviewed

The assessment was carried out by a consultant team from the Consensus Building Institute (CBI) working under the guidance of the BDP team that has been leading the development of the SES and SRM. The first step in the assessment was a series of face-to-face meetings with staff from all five UNDP Regional Bureaux (QA focal points and desk officers), as well as staff from the Bureau for Crisis Prevention and Response (BCPR), at HQ in New York. Those meetings informed the RBx and BCPR about the SRM, generated feedback from them, and were the basis from which the RBx selected CO and RSC counterparts to be interviewed for the Assessment.

CBI staff then conducted telephone interviews, usually 45 minutes-1 hour long, with CO and RSC staff. A list of persons interviewed [and scheduled to be interviewed] is attached. Some interviews were with a single individual; some were with several staff from a CO or RSC.

The interview focused on three main topics:
1. Recent and current experience assessing grievance risk and responding to stakeholder grievances;
2. Discussion and feedback on the design of the SRM; and
3. Discussion and feedback on capacity building needs for UNDP to manage the SRM effectively.

The interview protocol is attached. (Please note that the term "Dispute Resolution Process," an earlier working title for the Stakeholder Response Mechanism, was used in the interview protocol.)

Following is an overview of the feedback from the meetings and interviews.

3. CO/RBx/RSC experiences responding to stakeholder concerns about social and environmental impacts of UNDP projects

3.1. Most interviewees had little or no direct experience responding to stakeholder concerns about social or environmental impacts of UNDP projects.
   3.1.1. Very few RBx interviewees had been asked to support grievance resolution (LAC was an important exception). On the other hand, BCPR had substantial experience supporting conflict assessment and advising on ways to minimize conflict risk in "do no harm" CPC contexts.
   3.1.2. Several COs operating in CPC and authoritarian social and political contexts (Sudan, Kyrgyzstan, Cambodia) emphasized that they are highly sensitive to conflict risks, and take active steps to identify those risks, and either engage potentially concerned stakeholders early in project development (Sudan, Kyrgyzstan), or avoid high risk projects (Cambodia).

3.1.3. Some COs and RSCs also indicated that they take steps to sensitize government counterparts to the potential for project impacts to trigger conflict (Kyrgyzstan, Egypt).

3.1.4. Several COs emphasized that UNDP's strategy of building national and local ownership of all programs helped prevent project-related concerns (Kazakhstan, Sudan).

3.2. Some COs (Sudan) and RSCs (Cairo RSC) are making active use of the ESSP for screening; others are not. Those that are making active use of the ESSP indicated that they are not systematically considering the risk of stakeholder grievances or disputes arising from social and environmental impacts. Others (Kyrgyzstan, Cambodia) noted that they make regular use of project risk and issue logs and are diligent in discussing and addressing risks with implementing partners.

3.2.1. Sudan CO has a formal QA team, and does extensive due diligence on NGOs they work with as implementing partners, but does not look explicitly as risk of stakeholder grievance triggered by E&S impacts.

3.2.2. Some COs said E&S screening tools still feel disconnected from their project realities. To them, the ESSP still feels like a formality, or extra burden.

3.3. The few COs that indicated experience responding to stakeholder concerns related to projects or project impacts indicated that they normally do so through direct dialogue with concerned stakeholders and implementing partners, and are generally successful in resolving concerns (Sudan, Kyrgyzstan). Others mentioned mechanisms such as multi-stakeholder Project Boards that have assisted resolution of concerns (Kazakhstan).

3.4. There are instances of stakeholder concerns triggering conflicts that lead to project suspension or cancellation (Cambodia).

4. CO/RBx/RSC views on the proposed SRM

4.1. Feedback on the creation of an SRM was generally favorable. Several RSCs and COs said they saw the SRM as a positive step, perhaps overdue given that World Bank and other MDBs have been operating grievance mechanisms for more than a decade. Another comment was that the SRM would be increasingly useful as UNDP took on higher-risk projects in pursuit of environmental and social goals in politically fragile contexts.

4.2. With regard to the rationale for the SRM, there were several specific suggestions:

- Review the UNDP Information Disclosure Policy, to ensure that the SRM is well-aligned with it
- Consult with the Civil Society Advisory Committee to UNDP on the SRM before finalizing the SRM's design (note: already done by BDP)
- Review the [draft articles on the responsibility of international organizations](#), under review by the UNGA, and including an extensive discussion of responsibility to make reparations for wrongful acts.

4.2.1. One caution raised was that the SRM should not become a substitute for early, proactive and ongoing stakeholder assessment and engagement in UNDP projects. Interviewees stressed the value of the ESSP, QA early in the project cycle, and the use of cross-thematic teams to support engagement with a wide range of stakeholders throughout the project cycle.

4.3. CO and RSC questions and concerns focused on the risk of politically or financially motivated requests for UNDP intervention; the need for clarity about UNDP roles

and responsibilities, including legal responsibilities; and the importance of not creating new burdens on COs

4.3.1. Several CO interviewees raised concern that the SRM might encourage stakeholders with financial or political motives to file requests with UNDP, creating additional project and reputational risks. After additional discussion of a) the importance of communicating to project stakeholders what the SRM can and cannot respond to; and b) the SRM eligibility screening and assessment design, most interviewees were satisfied that UNDP could legitimately screen out illegitimate requests. Some remained concerned that in practice, it would be difficult to "say no" to any request.

4.3.2. Interviewees raised several questions and concerns about roles and responsibilities for operating the SRM:

- Could putting COs in the lead for responding to requests create a conflict of interest, given the lead role of the CO in project management? Further discussion of the plan to make all requests and planned responses transparent to RBx and HQ BPPS staff, and to ensure consultation among them, generally reassured these questioners that the SRM could minimize the risk of conflict of interest at the CO level affecting the response to requests.

- Is there potential for ineffective or counterproductive involvement of HQ in responding to requests, given that COs generally have much greater insight into the specifics of any project and its stakeholders? Further discussion of the SRM design, which has COs leading the response with support and oversight from RBx and HQ, generally satisfied these concerns.

- It is important for HQ to provide appropriate legal advice in cases where the request or the planned UNDP response might compromise UNDP's legal immunities. Further discussion of the voluntary and good faith nature of the SRM, and agreement to raise the question of whether and how HQ legal advice could be made available to COs in particular cases, generally satisfied this concern.

4.3.3. Several COs expressed concern that the SRM, enhanced screening and related tasks could become an extra burden on COs in a time of tightening budgets and expanding workloads. Further discussion around the initiative's intent and opportunity to bring value (through more effective project design, regional support and clear protocols for managing serious concerns) satisfied many of these concerns, though some COs remained concerned about the additional burden.

5. CO/RBx/RSC views on UNDP capacity needs and capacity development options

5.1. Interviewees generally felt that UNDP would need additional technical capacity at the RSC level, and in some cases at the CO level, to operate the SRM appropriately and effectively. They made several specific suggestions on how to build and maintain that capacity.

5.1.1. Some interviewees commented that the SRM was designed to handle difficult cases that had not been successfully resolved by standard project management and staff; therefore, SRM cases would often require additional technical and/or management support. One CO argued strongly that small COs could not be expected to lead on the responses to highly complex and potentially politicized

cases, and would have to rely heavily on some combination of regional and HQ support.

    5.1.2. Several interviewees noted that the skills required for SRM responses would include a) negotiation, mediation and communication; and b) specific technical expertise to develop solutions in e.g. resettlement, land claims, livelihood restoration, participatory monitoring, etc.

    5.1.3. Several interviewees urged that UNDP should commit to building RSC capacity to support the SRM. They noted that RSCs already play important advisory roles on social and environmental risk management, and that their roles in QA are expected to increase under the Strategic Plan. They also noted that the Strategic Plan envisions a substantial shift of staff to RSCs, creating an opportunity to make support for the SRM an explicit part of job profiles. Specific suggestions included:

- Integrate grievance risk assessment into cross-thematic QA teams and processes at the CO and regional levels, in order to reduce the risk that impacts would lead stakeholders to trigger the SRM.
- Integrate grievance response skills into the global SURGE roster currently operated by BCPR, so that staff from RSCs and HQ could easily and quickly be assigned to respond to high-risk grievances.
- Consider constructing regional rosters of external dispute resolution professionals who could be tapped if needed.

5.2. Some interviewees also noted the importance of building implementing partner capacity to address grievances themselves, both as an aspect of good governance and as a way to minimize the need for project stakeholders to use the SRM. This presents both opportunity and risk for UNDP, given that UNDP currently has uneven capacity to help implementing partners in this area.

    5.2.1. Several interviewees gave specific examples of constructive engagement with implementing partners, whether government (Kyrgyzstan, Egypt) or NGOs (Sudan), to consider grievance risk and build partners' capacity to manage it.

    5.2.2. Others (Cambodia, Sudan), noted that if a government is not interested in becoming more responsive to citizen grievances, there is relatively little that UNDP can do to engage with them, even if UNDP did have technical capacity to support them.

5.3. With regard to the package of capacity building steps and tools that the BDP team envisions for the initial rollout of the SRM, interviewees generally indicated that the package sounds appropriate, though there were several additional suggestions and one strongly voiced concern:

- Sudan offered to contribute its experience using a QA team to manage project environmental and social risks
- Several interviewees suggested targeting a mix of RSC and CO staff, potentially with higher emphasis on RSCs for skill building on risk and response assessment.
- One interviewee urged that the BDP team responsible for developing the SRM bring together a group of CO and RSC counterparts for a "stress test" session using the proposed SRM design, before finalizing the design, guidance or training. That stress test should use very difficult real and hypothetical cases to determine how the SRM is likely to function in practice, to highlight risks and flaws in the current design, and to generate ideas for improving the SRM's design.

6. Assessors' recommended next steps in development of the SRM

6.1. Further develop the role(s) of the RSCs in supporting operations of the SRM, the RSC capacities needed to support the role(s), and steps need to build RSC capacities (e.g. integration into surge roster, integration of SRM responsibilities and qualifications into specific RSC job profiles/QA ToRs, etc.). From the perspective of COs, this capacity building should focus as much on dispute prevention and effective screening in project design as on the SRM itself.

6.2. Address concerns about small CO capacity to operate the SRM, by specifying an option for joint response, co-led by the CO and Regional Bureau/RSC in cases where the CO has substantial capacity limitations.

6.3. Explore the potential to create regional rosters of grievance and dispute resolution professionals who could serve as impartial process managers and mediators in complex cases.

6.4. Stress test the SRM design by bringing a small group (6-8) of CO, RSC and RBx counterparts together to "game" a set of real and hypothetical cases.

ANNEX I: Persons Interviewed

NAME	TITLE	COUNTRY
1. Ignacio Artaza-Zuriarrain	Country Director	Egypt
2. Yvonne Helle	Country Director	Sudan
3. Narjess Saidane	Deputy Special Rep. of the Administrator, Programme of Assistance to the Palestinian People (PAPP)	Palestine
4. Geoffrey Prewitt	Regional Center Deputy Head, Practice Coordinator Regional Center in Cairo	Egypt
5. Kishan Khoday	Practice Leader Energy and Environment, Regional Center in Cairo	Egypt
6. Setsuko Yamazaki	Country Director	Cambodia
7. Napolean Navarro	Deputy Country Director	Cambodia
8. Beate Trankmann	Country Director	Indonesia
9. Satiya Tripathi	Director UNORCHID	Indonesia
10. Dao Xuan Lai	Head of Sustainable Development (currently charge of REDD+ Phase II)	Vietnam
11. Stanislav Kim	Head of Energy and Environment Unit	Kazakhstan
12. Ainur Baimyrza	Head of Governance and Local Development Unit	Kazakhstan
13. Daniar Ibragimov	Program and Policy Analysis, Environment and Disaster Risk Management	Kyrgyzstan
14. Pradeep Sharma	DRR	Kyrgyzstan
15. Claire Medina	DRR	Armenia
16. Daniela Carrington	Climate Change Policy Advisor	RSC Bratislava
17. Gabriel Jaramillo		Ecuador
18. James Leslie	Ecosystem and Climate Change Technical Assessor	Peru

ANNEX 2: Dispute Resolution Process Interview Protocol[3] for Interviews with CO and RSC Staff

UNDP is introducing new Social and Environmental Standards (SES) as a way to strengthen the social and environmental outcomes of UNDP's programmes and projects, and to minimize adverse impacts on people and the environment.

To support implementation of these Standards, UNDP is planning to introduce a new Dispute Resolution Process. This process is meant to supplement, not replace, UNDP's existing tools for responding to stakeholder concerns. The decision to introduce the dispute resolution process reflects both UNDP's ongoing commitment to project quality and results, and an increasingly widespread expectation among development partners that higher-risk projects and programs will include dispute and grievance resolution processes. The GEF and Forest Carbon Partnership Facility now require implementing agencies, including UNDP, to have formal dispute resolution procedures.

UNDP's national implementing partners are normally the "first line" responders to concerns raised by project stakeholders. UNDP's own project management tools, including project risk screening, stakeholder engagement and troubleshooting, provide support to national partners when necessary. The Dispute Resolution process is intended to be an additional tool and step. It offers a formal channel for stakeholders who have already raised their concerns with national partners and UNDP project managers, but have not been satisfied with the response. It is UNDP's expectation that the Dispute Resolution Process will be used rarely. When it is used, it will operate with a high level of transparency through a clearly structured process.

The interviews with you and other CO and RSC colleagues are intended to inform the development and roll-out of the Dispute Resolution Process, by:

- Ensuring that the Dispute Resolution Process is appropriately designed to be useful for project stakeholders and manageable for UNDP CO and Regional management and staff,
- Contributing to the design of a training workshop and ongoing on-line training to give COs and Regional management and staff the tools and skills they need to set up and operate the DRP when it is needed
- Clarifying longer-term capacity needs for COs and RSCs, and planning for longer term capacity development.

Social and Environmental Screening and Risk Management

[focus only on disputes for anyone who Bruce Jenkins already interviewed on ESSP]

[for colleagues working in crisis/post-conflict (CPC) countries, ask specifically about screening for conflict risk, and about conflict-sensitive programming]

1. Since the beginning of 2013, have you been screening projects for social/environmental risk? If so, what kinds of social and environmental risks are you identifying?

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[3] Please note that the term "Dispute Resolution Process," an earlier working title for the Stakeholder Response Mechanism, was used in the interview protocol.

2. When you screen projects, and you identify potential risks/impacts, what follow-up risk management work are you doing?

3. What work, if any, are you doing to strengthen implementing partners' risk management capacity, including dispute risk prevention and/or response?

4. What work, if any, are you doing to strengthen UNDP's capacity to manage risks, including dispute prevention/response?

Dispute Prevention and Resolution

5. Since the beginning of 2013, what has your experience been with grievances and disputes related to UNDP-supported projects?

6. If you have dealt with grievances or disputes in this period, please describe what issues and stakeholders were involved, how UNDP responded (within the CO, and at regional/HQ levels if relevant), and what the outcomes have been.

Proposed UNDP Dispute Resolution Process

The proposed DRP is meant as a supplemental mechanism for project stakeholders (including directly affected individuals and groups and their representatives) who believe their livelihoods, assets, communities or other interests may suffer adverse environmental or social impacts from UNDP-supported projects.

UNDP will integrate screening for potential stakeholder concerns and disputes into project risk assessment. Where risks are higher, UNDP will work with national implementing partners to ensure that they have grievance management capacity scaled to the level of risk. UNDP will supplement that capacity where appropriate (e.g. through enhanced use of Project Boards for dispute and grievance resolution). UNDP and national implementing partners will inform project stakeholders about national grievance mechanisms and about UNDP's Dispute Resolution Process during the regular course of stakeholder consultation and engagement.

When stakeholder concerns cannot be resolved through normal project management procedures and affected stakeholders request the Dispute Resolution Process, a designated member of the Country Office management team will lead the Country Office response, with support from regional and Headquarters counterparts (potentially including staff in RSCs with relevant expertise in stakeholder engagement and dispute resolution). The designated CO manager for dispute resolution would normally work with the relevant project manager and programme staff to respond to DRP requests.

7. What questions or suggestions do you have about the rationale, scope and/or proposed design and operation of the DRP?

8. Each CO would have a designated staff person to receive requests for dispute resolution (e.g. DCD/DRR). In your CO, who do you think might be the appropriate person?

9. What questions or suggestions do you have about the role of CO staff in responding to requests?

Capacity needed to operate the Dispute Resolution Process

UNDP expects that requests for the Dispute Resolution Process will be relatively rare (perhaps 1-2 per year that require a substantial investment of CO management and staff time). However, some requests may be highly complex and raise corporate reputational issues. Responding to these requests might take 1-5 days of CO management/program staff time, with additional support from Headquarters and/or the Regional Bureau.

It is expected that the skills and capacities needed for a response will include stakeholder and conflict analysis, substantive understanding of the environmental and social issues and options, stakeholder engagement and negotiation skills, and overall management capacity to track the response and ensure that UNDP staff have clear roles and responsibilities and open, constructive lines of communication with affected stakeholders, national partners, Regional Bureau and HQ counterparts.

BDP is planning to offer a package of capacity support including

- Guidance on assessing dispute risks as part of the Environmental and Social Screening Process
- Guidance on assessing and strengthening national implementing partners' dispute prevention and resolution capacity
- Guidance on setting up and operating the DRP at country level
- On-line webinars on the guidance
- A face-to-face training in Q4 2014, 2-3 days in length, covering
  - environmental and social screening using the new SES
  - setting up and operating the DRP at CO level
  - strategies, tools and skills for stakeholder assessment, engagement and negotiation in the dispute resolution process
10. What is your assessment of your CO/RBx current capacity to respond to requests for dispute resolution?
11. What questions or suggestions do you have about the capacity support that BDP is planning to offer?
12. What is your view on the relative feasibility, benefits and risks of building up capacity for supporting dispute resolution at the CO level, the RSC level, and in a small HQ Dispute Resolution team?

Next steps
13. Who else in your CO/RSC should we talk to about the Dispute Resolution Process?
14. Would you/others in your CO/RSC be interested in participating in a training workshop later this year?

Thank you!