Stakeholder Mapping

Disaster Risk Financing
& Insurance Program

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Global Risk
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Supporting Early Action to Climate Shocks, Disasters, and Crises

UKaid
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STAKEHOLDER MAPPING

Who are your stakeholders?

When you hear the word stakeholder, what comes to your mind? Your colleagues? Your boss? The public? The World Bank Group?

Simply defined, a stakeholder is **"Anyone who has a stake in the project"** or **"Anyone who can make, or break, your project."** For those of us working on disaster risk financing (DRF), this means people or groups with the power to influence and advance the future of DRF in our countries.

What is stakeholder mapping?

Stakeholder mapping is a simple process of listing all the stakeholders of your project and working through a series of steps to build a strategic engagement and communications plan. This process gives you a visual representation of all the people who can influence your project and how they are connected.

Stakeholders can be people who you work with across different levels. This includes people at a higher professional level, such as a minister of finance or a senior member of the cabinet. Such stakeholders are pivotal to the success of a project given their ability to influence the project approval process and allocation of financing. Your peers also are important stakeholders, including key clients, colleagues, managers, and team members, as well as people you may not work with regularly, like members of the public, colleagues within other government departments, the private sector, civil society organizations, and nongovernmental organizations. Often the most important stakeholders are the end beneficiaries or project participants.

Why is stakeholder mapping important?

Stakeholder engagement is an important project management and risk management tool, and mapping is a key part of this engagement. By identifying in advance, the individuals, groups, and organizations that will be affected by your project, you can better engage them and help ensure that the project is demand-driven and progresses smoothly.

People who are engaged have a much higher chance of responding positively to the project design and outcomes. When you use your time to positively influence the opinions of your most powerful stakeholders and manage them closely, you will have more control over the direction of the project and will be better equipped for success.

By undertaking a stakeholder mapping exercise ahead of time, you can help the project team to quickly identify the key stakeholders in each area and be strategic about communication and interactions you have with them, including the technical input provided. Below are a few examples of how stakeholder mapping is useful for different aspects of project management.

Project design

- Helps identify who the key stakeholders are and clarifies their relationship with the project
- Ensures that there is clarity on roles and dimensions of the project and a shared vision among key players of the project
- Brings together new ideas to innovate

Support for implementation

- Brings people together to pool knowledge, experience, and expertise to co-create solutions
- Helps build and foster partnerships and new relationships that generate value

Avoidance of roadblocks

- Allows those who affect or will be affected by the project to voice their opinions ahead of time
- Helps reduce the level of risk and ensures that the project is fully demand-driven
- Provides all players in the project a sense of ownership and improves governance

Mapping your stakeholders

It is important to identify, analyze, and prioritize your stakeholders based on their professional and personal investment in the project and their ability to influence its success. Once this is done you can plan for how to engage them successfully.

Step 1: Identifying your stakeholders

The type and role of stakeholders will vary depending on the nature, impact, and duration of your project. The following are some key categories to consider:

Decision makers: If your project needs support from senior leaders, or significant buy-in and investment from the private sector, the World Bank Group, or related partners, you should include these groups as major stakeholders, since they will have the power to influence your project's future.

Users: Knowing and understanding your end user or audience is critical for building a successful project. The groups of people who will be affected by the project and whose needs it will serve could be included among your stakeholders.

Local markets: For large-scale projects that involve a substantial number of players, it is imperative to include the key players in your country's local markets. For a DRF project, this could include local insurance companies, underwriters, etc.

Who are people that influence if and how a DRF program can be implemented? → How are you connected to them? → What is their understanding of DRF?
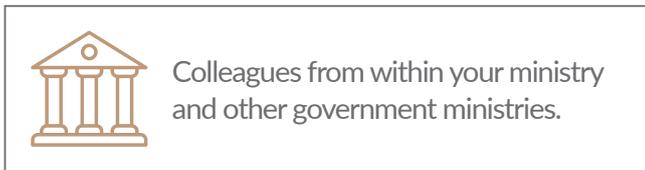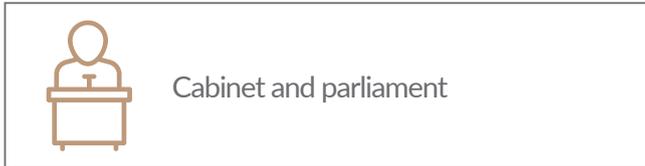
Stakeholders can be divided into internal and external stakeholders:

Internal stakeholders are people on your team and your immediate colleagues who, despite possibly varying levels of involvement, have a major impact on the design and implementation of the project.
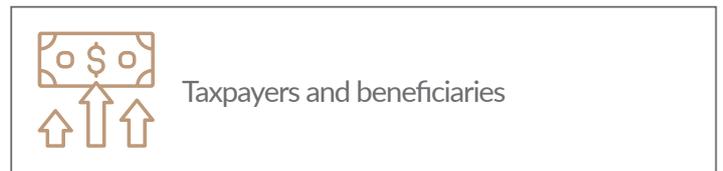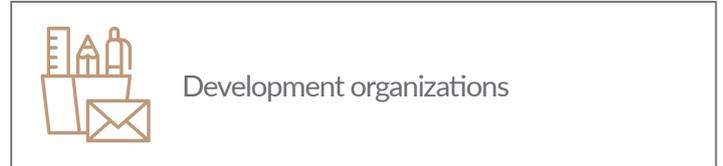
External stakeholders are those who advise, facilitate, or will be impacted by your project, even though they don't directly participate in the daily work on the project.

Below are some examples:

Internal Stakeholders

	Cabinet and parliament
	Colleagues from within your ministry and other government ministries.
	Financial regulator
	?

External Stakeholders

	Development organizations

	Donors		Risk modeling companies

|		
	Finance parties	(Insurers, Banks and Capital Provider)
	Taxpayers and beneficiaries	

Can you think of additional internal and external stakeholders? If yes, make a list below:

Internal stakeholders

External stakeholders

Once you have identified all the stakeholders related to your project, you can begin to analyze them and map them based on their interests and ability to influence your project.
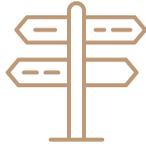
Interest:
What is important to them?

Influence:
What could they contribute to enable your work on Scalable Social Safety Nets?

The following are important factors to consider for each stakeholder identified in Step 1:

What are their key interests and motivations?

Do they have a personal connection to the project?

How are they influenced by this project?

Which other stakeholders are they connected to?

Which elements of the project are they most interested in?

Do they influence the financing available?

How does the success or failure of the project impact them?

Do they influence any of the technical design?

What key decisions need to be made by them in order for the project to progress?

What risks do they pose to the project?

Will they have a positive or negative reaction to your project, and why?

Mapping External Stakeholders

	Development organizations	Donors	Risk modeling companies	Finance parties
Interest	Country's prosperity; financial and physical resilience	Improve post-disaster outcomes, protect people, reduce poverty	Access to quality data; proprietary knowledge; sale of their product	Market penetration & growth at a risk-reflective price
Influence	Provide resources, DRF know-how, experience	Raise awareness and provide start-up & operational funds	Identify risk; measure exposure; establish pricing	Provide capital; provide risk transfer and risk management expertise

Mapping Internal Stakeholders

	Regional trade/ policy bodies	Politicians	Ministry of Finance	Other ministries & DRM functions
Interest	Country's prosperity; regional stability	Decision-making; benefiting citizens	Appropriate/ cost-efficient use of funds/ budgets	Reconstruction; resilience
Influence	Provide resources, regional engagement, and legitimacy	Provide legitimacy, accountability, decision-making power	Make a financial commitment, use resources effectively	Offer trust, decision-making expertise, on-the-ground knowledge

Step 3: Prioritizing your stakeholders

Not all stakeholders need the same level of engagement and communication. The most efficient way to prioritize stakeholders is to consider how they are positioned across two factors:
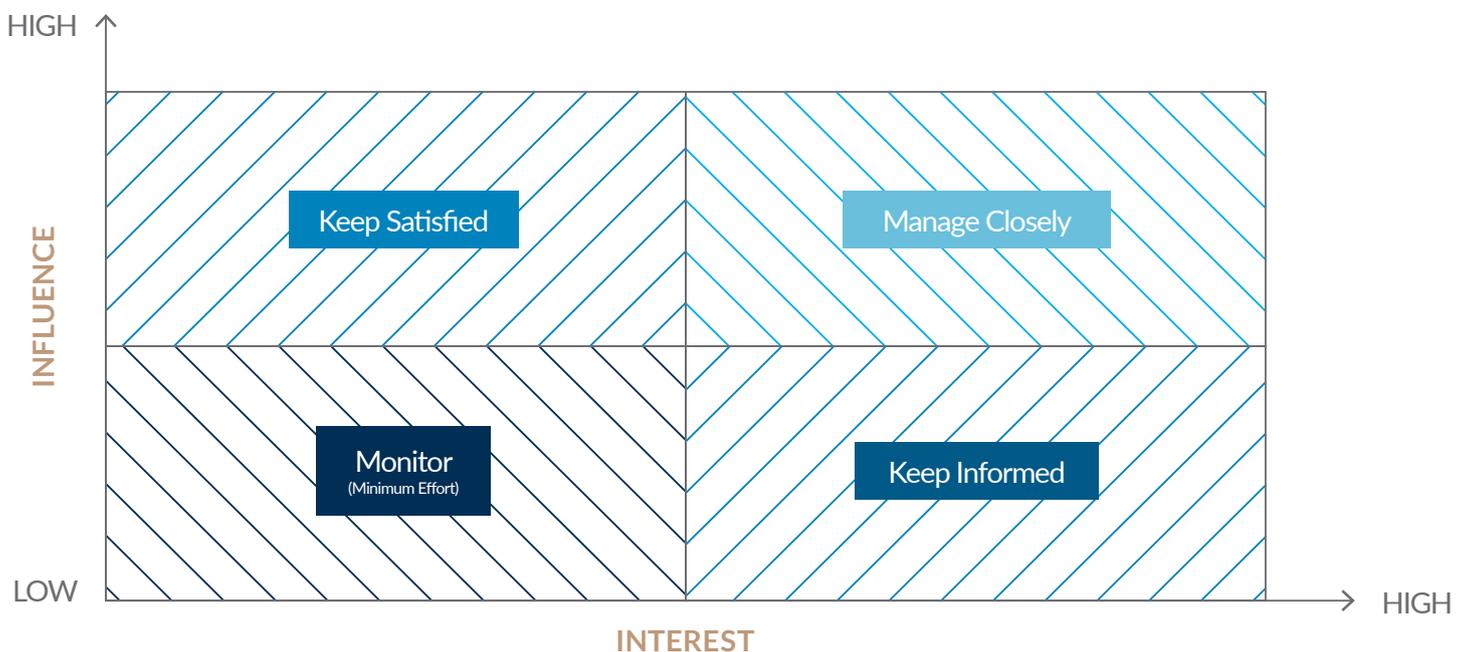
Interest
How invested are they in achieving their outcomes?

Influence
Is their power to influence the project significant or relatively limited?

Based on these two characteristics, place your stakeholders within this 2x2 matrix:

Source: Adapted from A. L. Mendelow, "Environmental Scanning: The Impact of the Stakeholder Concept," ICIS 1981 Proceedings 20 (1981).

The four quadrants of the matrix break down as follows:

I. High Influence, high interest ("Manage Closely"): You must prioritize engaging with these stakeholders as much as possible.

II. High Influence, less interest ("Keep Satisfied"): Put enough effort in to keep these stakeholders satisfied and informed, but be strategic about your communication.

III. Low Influence, high interest ("Keep Informed"): Communicate regularly with these stakeholders, as they will be influential in the successful ongoing delivery of the project.

IV. Low Influence, less interest ("Monitor"): Minimum effort is required with these stakeholders, and they can be informed as part of general briefings that you prepare for others as required.

Your high-power stakeholders can help you gain resources, prioritize competing demands for resources or competing timelines, and clear potential roadblocks. Your low-power but invested stakeholders are your champions on the ground.

Once you have identified your stakeholders and their level of impact and influence, you need to plan the best way to engage them.

Begin by thinking back to Step 2 and Step 3 to assess why you want to engage them. Here are a few possible reasons, but you might have additional reasons to engage your stakeholders.
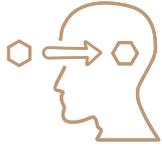
Shift critical perceptions and opinions about disaster risk finance

Reinforce and support your project with expertise and financing

Build trust and status within your group and strengthen professional relationships

Improve your project management with better collaboration and input

Manage risk and reduce/ remove roadblocks facing your project

Below are five suggestions for engaging your stakeholders.

1. Provide (social and professional) value. People like to feel they have a voice within the group. Demonstrate to stakeholders how their contribution adds value to your project. Also, clearly emphasize the value you provide them, such as a professional network, knowledge, etc.

2. Build lasting relationships. Strong relationships translate to better collaboration. People work together more easily and effectively when there is trust. Investing in relationships can increase confidence across the project, minimize uncertainty, and speed up problem solving and decision-making.

3. Engage rather than manage. Why "stakeholder engagement" and not "stakeholder management"? Stakeholders are proactive and independent individuals; by engaging with them respectfully and listening to their views, you optimize your chances of influencing their choices.

4. Consult, early and often. The purpose, scope, risks, and approach of technical projects may sometimes be unclear to your stakeholders, particularly in early project stages. Early and regular consultation (where possible) helps to ensure that the final project is demand-driven and enjoys the support of most of the stakeholders.

5. Communicate. The best way to engage and influence stakeholders is to communicate well. It is crucial to understand the people you will be working with, their mindsets, and the best way to effectively garner their support. Not everyone responds to the same style of communication. See the box below for some tips on how to communicate effectively.

Stakeholder Communication

These five tips will help in building an effective narrative for your stakeholders:

1. Use what you know: Few things are as engaging and authentic as a personal story. Hook your audience by speaking about your personal experience and how it relates to the project.

2. Create a shared experience: The best way to engage people is to talk about things they care about. If possible, find a shared idea or experience that you can use to connect with your audience.

3. The art of storytelling lies in listening: While it is important to be prepared in order to communicate effectively, it is equally important to be able to read the room and audience and adjust your narrative accordingly. A good rule of thumb is 80 percent preparation, allowing for 20 percent flexibility; this ensures that you can quickly pivot from your prepared narrative to maintain or build your audience's interest.

4. Be clear and concise: When planning your narrative, ensure that it has a clear start and end and ask for feedback from those you are engaging with. Changes in the content and the pace of the narrative should be easy to follow and understand. Powerful stories always have an arc and powerful hook which draws people into the narrative.

5. Remember why you are engaging: Your narrative should include a clear takeaway, offer concrete next steps, and allude to the actions required to complete these steps that are easy to comprehend and remember.

Exercise

Now that you've learned about the importance of stakeholder mapping and communication, use the template below to help you plan and strategize your stakeholder engagements for a specific project:

Stakeholder Engagement Planning Template

Stakeholder	Interest	Power	Key reason to engage	Frequency of communication	Communication method