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STAKEHOLDER
MAPPING
FOR
ENGAGEMENT

Investment Climate | World Bank Group

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STAKEHOLDER MAPPING FOR ENGAGEMENT

This Quick Guide will help with:

- Designing and implementing stakeholder mapping
- Identifying the different stakeholder groups for engagement
- Developing strategies to engage the identified and relevant stakeholders.

How it works:

As the foundation of a PPD process, stakeholder engagement needs to be managed from scoping to exit (see figure, below). Identifying and analyzing the needs and concerns of different stakeholders through a stakeholder analysis is fundamental to shaping and implementing policy reform.

FIGURE 1. PPD LIFECYCLE

1 DIAGNOSE → 2 DESIGN → 3 IMPLEMENT → 4 EVALUATE →

Stakeholder Mapping   *Ongoing Stakeholder Mapping*

PPD involves the public and private sectors working together to identify, prioritize, and resolve investment climate obstacles. It is often important to engage citizens in the process. The success of PPD entails collaboration and trust between all relevant stakeholders, and it requires their willingness to work together to achieve results. Identifying the right stakeholders and encouraging their participation improves the chances of achieving a successful outcome. Consequently, stakeholder engagement is a priority task for any PPD.

DEFINITION

STAKEHOLDER:

A stakeholder is an individual, organization, or group that has something to gain or lose, either directly or indirectly, from the outcome of a policy reform.

Principles

Stakeholder mapping and engagement are ongoing activities throughout the life cycle of a PPD. It is important at all stages to ensure that the PPD is open to stakeholders as they continue to appear and become relevant. This openness is an indicator of the potential success of the dialogue process. When there is little interest among stakeholders in working together, the first stages of the PPD are critical in building trust. It is not uncommon in the early stages of PPD to have challenges in achieving a specified reform even with increasing support from the public and private sectors. After trust is built and impact is quantifiable, the PPD process may become institutionalized within the government and private sector.

1 PROCESS: STAKEHOLDER MAPPING

PPD has several principal actors: the public and private sectors, civil society, academia, and the donor community. As shown in the figure below, it is an inclusive process that seeks to engage relevant actors who have a keen interest in a specific issue and the capacity to engage and influence the key people making decisions and policy. The focus of PPD can range from being a single issue to a comprehensive reform agenda that includes policy, legislation, regulations, and implementation of these reforms.

PRIMARY STAKEHOLDERS: Those who are critical to the policy reform's success or failure, such as high-level officials, public sector policy implementers, and business leaders. This group includes all stakeholders with a direct interest in the reform outcome and who will be positively or negatively affected by it.

SECONDARY STAKEHOLDERS: All other individuals or groups with a stake, interest, or potential intermediary role in the reform process or outcomes.

FIGURE 2. STAKEHOLDER ENGAGEMENT PROCESS
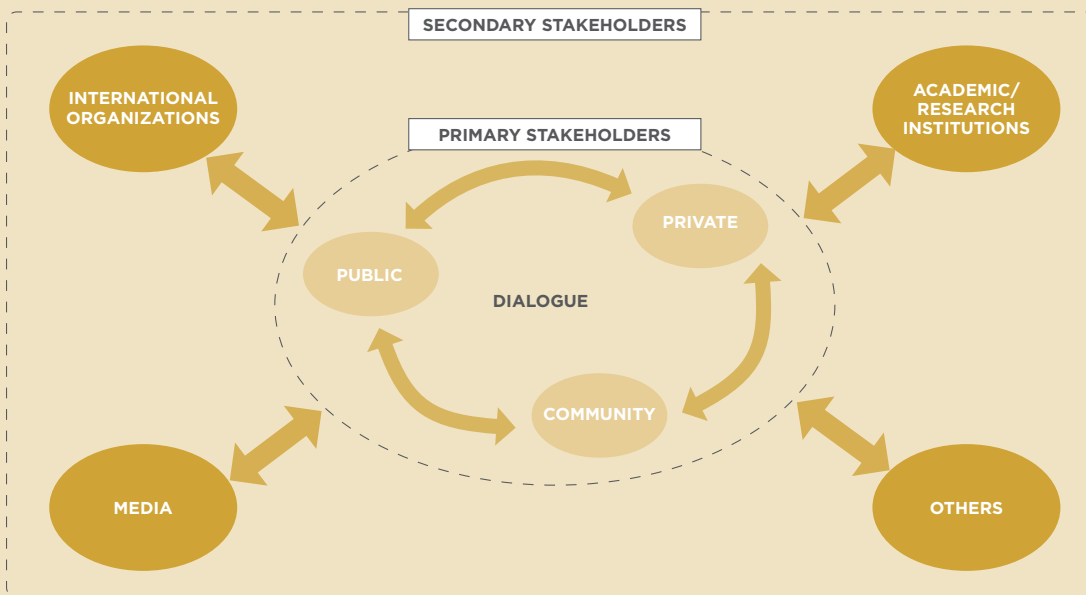
Inclusive Stakeholder Constituency

PPD provides a platform through which reforms are achieved. To achieve reforms, the PPD draws upon a combination of stakeholders that have technical capability and political influence. Although it is important to have an issue passed, it is also important to ensure that all affected or potentially affected stakeholders are given the opportunity to participate.

Enabling a broad-based, inclusive dialogue contributes to developing a trusted environment for dialogue. Trust building based on achievements builds constituent support for reform. The constituencies can be internal (within stakeholder institutions) or external (community-based). When mapping stakeholders, it is important to include:

a. The public sector, representing all authorities and institutions at the national and subnational levels

b. The private sector, including all sizes of private companies and relevant representing bodies (such as sector associations)

c. Civil society and non-governmental organizations

d. Citizens (when relevant).

PPD platforms can directly impact who will become a future stakeholder. They create an opportunity for stakeholders to engage and consult on issues, and can become a platform for groups or nascent organizations that were otherwise precluded from advocacy. The ongoing activities of a PPD mechanism can explore the potential of expanding the stakeholders contributing to the dialogue process. Stakeholder mapping should take into consideration the examples of industries or sectors that could, with future investment and capacity, become important contributors to PPD.

Mapping Context and Relevance

The design of each PPD intervention is unique, because it factors in relevant economic and political complexities for the targeted sector or overall economy. At the onset, it is crucial to assess and understand the market dynamics that may trigger and influence subsequent phases. The basic market assessment will ensure that the PPD design team is able to address political risk and include all stakeholders.

TABLE 1. STAKEHOLDER ASSESSMENT CHECKLIST

Initial scoping questions to identify	Review
Key growth sectors in the country	
Perceived sector or subnational challenges	
Past and active World Bank Group programs in the country	
Key ministries, public officials, associations, research institutes, active donors, and so on	
Dynamics between stakeholders	
Decision makers at the regulatory/policy level	
Community advocates	
Potential champions and respected authorities in public and private sectors, community, and academia	
Sector structure: clusters, subnational, or others	
Main methods for information dissemination	
Respected media outlets	
Past or ongoing dialogue initiatives	
Potential initiatives or institutions (private or public) to host dialogue	
Civil society advocates	

Selecting Stakeholder Groups

TABLE 2. SELECTING STAKEHOLDER GROUPS

	Subgroups	Description
Public Sector	**Executive level**	When undertaking stakeholder mapping, it is important to identify all levels of executive decision making. In some instances, the office of the president or prime minister may take primary responsibility for driving private sector development reform. Where such an authority, board, or function exists, it is important to identify its roles and activities during stakeholder mapping. Direct linkage to the highest level of authority indicates that the government has prioritized (at some stage) investment climate reform. This may indicate that a level of inter-ministerial coordination exists. The level of coordination should be captured—it is a clear advantage when introducing reforms.
	Ministries	Ministries focused on private sector development are the principal public sector stakeholders. PPD champions exist within those line ministries. The authority of ministries can vary from country to country. When mapping public sector stakeholders for a sector-focused PPD, it is important to identify not only functional alignment, but also the decision-making alignment that exists within the government. This is particularly important where decisions require intra-ministerial coordination.
	Departments	Departments are also important stakeholders. Depending on the type and scale of PPD, it may be at the departmental level where a PPD champion is located. Departments are also a representation of ministries at the level. PPDs can start at the subnational level and create a demonstrative impact that can be replicated at the national level.
Private Sector	**Chambers of Commerce**	Chambers are often the focal point for public and private sector relations. The chamber of commerce may be given access to senior levels of government and represent the private sector with the government during trade-related missions abroad. In many developing markets, the core role of advocacy requires more resources and capacity than the chamber can provide. Rival chambers compete for membership and the government's attention.
	Business/Sector Associations	Member associations may not subscribe to chamber activities. To adequately represent the views of the private sector, it is important to include business and sector associations as well as the chamber of commerce.
Community and Civil Society	**Civil Society**	Although the private sector is a component of civil society, it is often referred to as an "outsider." PPD often supports this notion as it seeks to build a platform for private sector development issues to be addressed. There are many issues, however, for which the broader definition of civil society can and should be engaged within PPD. A PPD platform aims to bring together public, private, and civil society actors. These actors need to be approached with a clear understanding of the country's dynamics influenced by the government system, status of civil society, and maturity of the private sector.
	Individuals	In some instances, there may be influential individuals who are not aligned to any particular membership or organization. They could be major investors in key sectors who do not participate in membership organizations or political parties. In stakeholder mapping, the methodology should be flexible enough to look beyond membership organizations and map those actors that may contribute to a vibrant PPD.

2. PROCESS: STAKEHOLDER ENGAGEMENT

Stakeholder engagement strategies need to take into consideration the broad range of actors operating in the market. Markets can be complex or underdeveloped. Complex markets are those with established business membership organizations. They can include chambers of commerce, regional chambers, sector or business associations that are aligned and non-aligned. Undeveloped markets are those where crisis or conflict have damaged or eliminated the civil society infrastructure. Getting the right stakeholders into a position from which they can contribute can be important in gaining public and private sector support for the PPD.

1. STAKEHOLDERS CAN CHANGE

Stakeholders may change throughout the PPD lifecycle. In some instances, foreign businesspeople may leave, and domestic investors may be heavily involved during initiation but become less i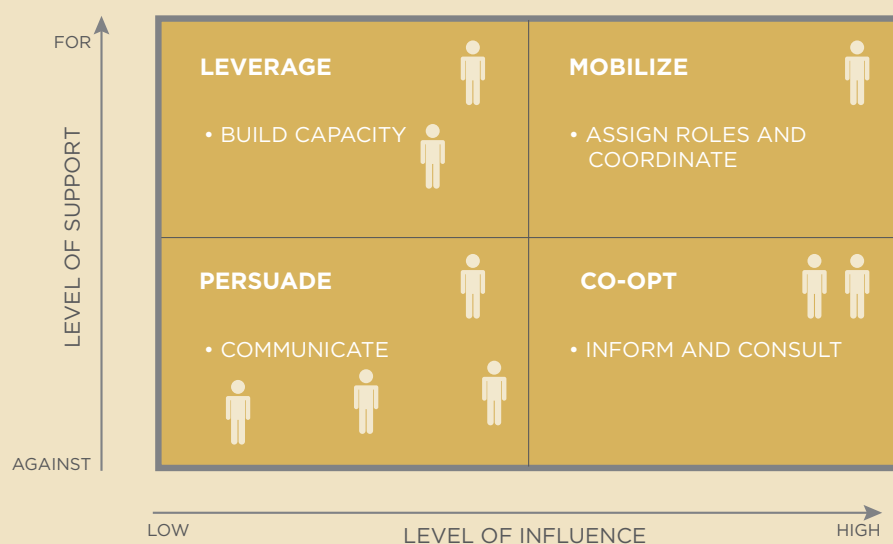nvolved as the process continues. Others may become inspired by the process and seek to contribute when they see that the PPD will create impact. Those managing and supporting the PPD should be flexible enough to encourage participation so that the process is as representative as possible.

2. STAKEHOLDER MATRIX OF INFLUENCE

The intent of a stakeholder mapping process is to ensure that stakeholders are well represented in the PPD, achieving results often means having the right counterparts sit together and discuss an agreed agenda. Identifying the right technical counterparts and engaging them can be a critical success factor in achieving approval to move forward with establishing PPD as a concept. The matrix (Figure 2) is one tool that can be utilized to quickly define stakeholders for PPD as well as identify the means to approach them.

FIGURE 3. STAKEHOLDER MATRIX OF INFLUENCE

FOR

LEVEL OF SUPPORT

AGAINST

LEVERAGE

• BUILD CAPACITY

MOBILIZE

• ASSIGN ROLES AND COORDINATE

PERSUADE

• COMMUNICATE

CO-OPT

• INFORM AND CONSULT

LOW   LEVEL OF INFLUENCE   HIGH

TOOLS & RESOURCES

- **THE PPD HANDBOOK –** A Toolkit for Business Environment

- **THE PPD WEBSITE –** *www.publicprivatedialogue.org*

- **PUBLIC PRIVATE DIALOGUE SPARK PAGE –** *https://spark.worldbank.org/groups/public-private-dialogue-ppd* (an internal World Bank Group resource)

- **THE INVESTMENT CLIMATE WEBSITE** (World Bank Group) **–** *www.wbginvestmentclimate.org*

ANNEX: TERMS OF REFERENCE (ToR) STAKEHOLDER MAPPING FOR PUBLIC-PRIVATE DIALOGUE

1. **PROJECT BACKGROUND AND OBJECTIVE**
   [Project team to include background on the project and its overall objective]

2. **STAKEHOLDER MAPPING**
   Public private dialogue (PPD) involves the public and private sectors working together to identify, prioritize, and resolve investment climate obstacles. The success of setting up a PPD mechanism indicates that the government and private sector are willing to work together to achieve results. Stakeholder engagement is the foundation of any PPD process.

   An efficient PPD enables public and private stakeholders to communicate together to achieve an agreed output. Identifying the right stakeholders to lead the dialogue and encourage participation improves the chances of achieving successful results. Consequently, stakeholder mapping and engagement is a priority task for all PPD mechanisms.

   In developing markets, government and private sector consultations often focus on a regular network of elite businesspeople and government officials. In the absence of a conscious effort to create a systematic approach to implementing a PPD, or to develop civil society advocacy, the model of elite-level engagement does not promote a culture of change.

   Stakeholders for the purposes of PPD are not just those with power and influence. In the context of PPD, all those affected by the project should be considered in PPD stakeholder mapping. This can include stakeholders within the government and private sector but also civil society. Capacity to advocate and/or enter technical-level dialogues can vary in developing markets. During the stakeholder mapping exercise, observations should include the capacity and needs of the stakeholder to engage in PPD. Stakeholder engagement for PPD needs to be effective to ensure broad-based participation, have the most relevant stakeholders engaged in consultation, and represent all interests to be addressed within PPD.

3. **OBJECTIVE**
   PPD is a tool that is used to open markets by enabling key stakeholders in society, identify obstacles to investment, and discover solutions to improve the investment climate. In this context, it is important to ensure that participation in PPD is representative of those individuals and organizations that are impacted by public policy. Stakeholder mapping is undertaken to identify those stakeholders that will most likely have an interest

and potential influence when engaged in PPD. Stakeholder mapping will equip the PPD team with the information to develop a broad-based and inclusive PPD.

The objective of a stakeholder mapping exercise is to identify the critical stakeholders who will guide the establishment of a mechanism to take on the reform process of the policy and legal framework to allow the public and private sectors, as well as civil society stakeholders, to contribute inclusively.

4. SCOPE OF WORK

The World Bank Group seeks to engage a [consulting firm/consultant] to map stakeholders in [location] for the purposes of establishing a [national/subnational/etc. sector] PPD. This assignment requires the [firm/consultant] to:

- Conduct a thorough process involving consultations with all relevant stakeholders—private sector, civil society, donors who support private sector development-related activities, and the general public—as an integral part of the assignment.

- Establish a stakeholder map that can be used as an essential framework for establishing PPD that includes those interested parties affected by or otherwise interested in the PPD agenda. A stakeholder map will provide the World Bank Group with the relevant entry points to all stakeholders that will be affected by and or be engaged within PPD.

- Consult with all stakeholders to ascertain capacity inside the government, private sector, chambers of commerce, and other relevant associations to engage in PPD. During this assignment, it is critical to undertake consultations with the public and private sectors as well as

other relevant civil society partners to develop a comprehensive stakeholder map.

5. DELIVERABLES

- **A STAKEHOLDER DIRECTORY**, which identifies key public, private, and civil society organizations. The stakeholders should be classified as critical, primary, or secondary stakeholders.

- **A STAKEHOLDER MAPPING REPORT**, which highlights the dynamics among public and private sectors, and civil society, the infrastructure of business/sector-based associations and chambers of commerce, and their influence on both public and private sector decision making.

  The [firm/consultant] will work closely with the project leader, and consult on any clarifications that may be required pertaining to this ToR.

- An initial scoping report will be prepared within [no.] weeks of starting the assignment. Reporting will be undertaken throughout the assignment in line with the project leader's requirements, and based on agreement.

6. TIME FRAME

[Include a time table]

7. REPORTING

The consultant will report to the project leader. [Include details]

8. QUALIFICATIONS

The required qualifications for this assignment are:

a. Minimum 10 years of experience in private sector development in developing markets as a policymaker, advisor, media relations expert, or a similar function for the private sector.

b. Experience and knowledge in private sector development and/or business in post-conflict countries.

c. Strong organizational and interpersonal skills.

d. Experience in and knowledge of PPD mechanisms in developing markets; experience in the design, facilitation, and operation of PPDs would be desirable.