



D3.5

Stakeholder community set up recommendations

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List of Acronyms and Abbreviations

Abbreviation	Definition
EU	European Union
EC	European Commission
WP	Work Package
DH	District Heating

0. Executive Summary

The objective of this document is to present a compilation of examples and best practices to provide clear guidelines for identifying, engaging, and managing relevant stakeholders at both regional and national levels. This is important to ensure effective collaboration, enhance stakeholder participation and align project objectives with local and national priorities.

The aim of this deliverable is to develop strong and lasting relationships with stakeholders to achieve the proper success and impact of the project. This document details all the steps for the identification of key actors, the strategies for an engagement at both regional and national levels, for effective engagement and the needs for continuous stakeholder management.

This process is fundamental for guaranteeing that all stakeholders kept well informed about the objectives and developments of the project. Stakeholder participation is highly valued, and the collaboration established is intended to maximise the impact and success of the initiative.

This document is divided into three main sections:

- Stakeholder identification: Methods for identifying key stakeholders and assessing their influence and importance to the project.
- Stakeholder engagement: Strategies for involving and keeping stakeholders informed through effective communication and active participation.
- Stakeholder management: Practices for managing relationships, resolving conflicts, and adapting strategies to meet their needs.

1. Introduction

An effective stakeholder management is essential to ensure the success of any infrastructure project, especially in a project like Low2HighDH from the European Commission, in which we have the goal to decarbonise DH sites in the three target countries (Lithuania, Poland and Slovakia), and we will most likely do it at a local level. This generates three types of geographical barriers (international, national, and local), and in this case the stakeholder community is fundamental to overcome these local barriers, in terms of policies, legally, when it comes to reaching the DH sites, dissemination, etc.

In this context, stakeholders include not only government authorities, utilities and technology providers, but also national communities, environmental regulators and international organisations. Each of these stakeholders can significantly influence the development, implementation and acceptance of the project, whether by setting standards, providing technical expertise, or contributing their support or social acceptance.

The information contained in this document was compiled from a variety of sources, including academic literature reviews, technical reports and case studies on district heating projects in Eastern Europe. Documents from international organisations such as the World Bank and the European Investment Bank (EIB) were consulted, as well as local and governmental publications. In addition, comparative analyses of previous experiences with district heating projects in these regions were carried out, highlighting lessons learned and the most effective strategies for managing stakeholders. Finally, the consortium's experience in this type of projects has been fundamental in accomplishing the stakeholder engagement strategy.

1.1 IMPORTANCE OF STAKEHOLDERS

In order such an ambitious project at European level to achieve success, in the three target countries (Lithuania, Poland, and Slovakia), the collaboration with a wide network of national stakeholders is essential for understanding the context and overcoming possible national barriers that may arise.

Among the different stakeholders we can find associations, customers, government authorities, NGOs, and communities. They are the key to help organisations understand and adapt to cultural, social, and economic particularities of each region.

Their deep knowledge of values, infrastructure, and other less obvious but equally important barriers, such as culture or local languages at the different target countries, can facilitate the performance of the project or even help to overcome other barriers that will make the project work smoother, including contacting DH sites, and better understanding of some local laws, etc.

In all the 3 different target countries, local languages are different, so words are an essential component of cultural identity, so local stakeholders function as a bridge to overcome language barriers. Their fluency in both the language and cultural context ensures not only effective translation but also smoother communication between international teams and local communities.

Establishing trust is crucial in promoting public acceptance of the integration of new clean technologies and encouraging behavioural change towards more sustainable energy consumption habits. Identifying, managing and engaging stakeholders not only demonstrates respect for local cultures but also enhances the social commitment needed for the long-term success of decarbonisation efforts, ensuring that the project is both culturally relevant and accessible to all.

Stakeholders play a key role in understanding both national and local legislation in each of the target countries. Their knowledge in this area is a valuable input that will generate significant value for the project and facilitate the development of the prefeasibility studies. On the other hand, the ownership structure of the different actors involved in a DH network can be quite different between countries, and even between distant regions within the same country. There are public, private, and public-private companies, as well as large variations between network owners and network operators. To understand this context, the role of the national stakeholders involved in the DH sector in each country is vital.

2. Stakeholder identification

The identification of potential stakeholders is the first step in developing a strong national stakeholder network, as it enables us to recognize those who can influence or be affected by the success of the project, thereby facilitating more effective management of their expectations and needs.

This process ensures that diverse perspectives are considered, and appropriate communication and collaboration strategies are established, helping to minimize risk and maximize project support and acceptance. The principal risks of a poor execution of this initial phase include the lack of a robust network of stakeholders. This network may be insufficient in number, insufficiently engaged, or not well connected to the project; when support is required in the future, there will not be enough backing.

2.1 METHODOLOGY

The techniques used to identify stakeholders, such as mapping, interviews and documentary analysis are presented in this section.

2.1.1 Stakeholder mapping

The stakeholder mapping could provide a wide range of different stakeholders for the project. To achieve this, we need some research such as documentary review and consultation, accompanied by interviews or surveys to generate concrete recommendations for managing stakeholder relations effectively and capitalizing advantage of opportunities to ensure the success of the project.

2.1.1.1 RESEARCH (DOCUMENTARY AND CONSULTATION)

Documentary review is a great tool to identifying key stakeholders, as it provides essential insights into the individuals or groups involved.

In the case of our project, we need to understand the specific context of each country. This includes reviewing the political and economic environment, cultural characteristics and local regulations that could influence the project. In addition, understanding cultural and social dynamics will help tailor project strategies to meet local needs and ensure effective stakeholder participation. This approach will ensure that the project is aligned with the local context and improve its chances of success.

Moreover, in case there is uncertainty, questions or lack of clarity during the research process, stakeholder consultation will be needed. They will engage and provide support for this documentary review process. This will not only ensure that all potential stakeholders are recognized, but also provide a comprehensive understanding of the background of influence and interest in the project. Involving stakeholders in detailed discussions allows for the identification of concerns, expectations, and needs that may have been overlooked.

2.1.1.2 INTERVIEWS

Interviews and surveys aim to identify, understand and develop a strong stakeholder network. These tools provide direct insights into the views and concerns of key actors, helping the project teams identify where the most influential stakeholders are and what barriers they perceive. A formal record of the interviews will not be maintained, as they are not part of the project deliverables. However, they will serve as an informal tool to better understand, analyse, and efficiently select stakeholders. These interviews will be carried out by the partners who have the most direct relationship with the entity or organisation concerned. In case no partner has such a relationship, they will be carried out by the respective local partners in each country or by the project coordinator.

These interviews and/or surveys are useful tools to reveal key barriers such as technical challenges, regulatory hurdles, and economic constraints, highlighting which stakeholders (e.g., government, industry) are most affected. The most important aspects for success are responses, such as policy support and technological advancements, aiding in categorizing stakeholders based on their influence and interest.

Moreover, the importance of collaboration among government, industry, and communities, emphasizing the need for coordinated efforts is highlighted. This data allows for effective stakeholder mapping, ensuring focused engagement and smoother project execution.

2.1.2 Impact analysis

After mapping the possible stakeholders, the team will define a visual map where the involved parties are classified to analyse the impact of each of them in the project. This helps to classify stakeholders according to their influence and interest through a study, using the matrix to prioritize management and communication with each group according to their position.

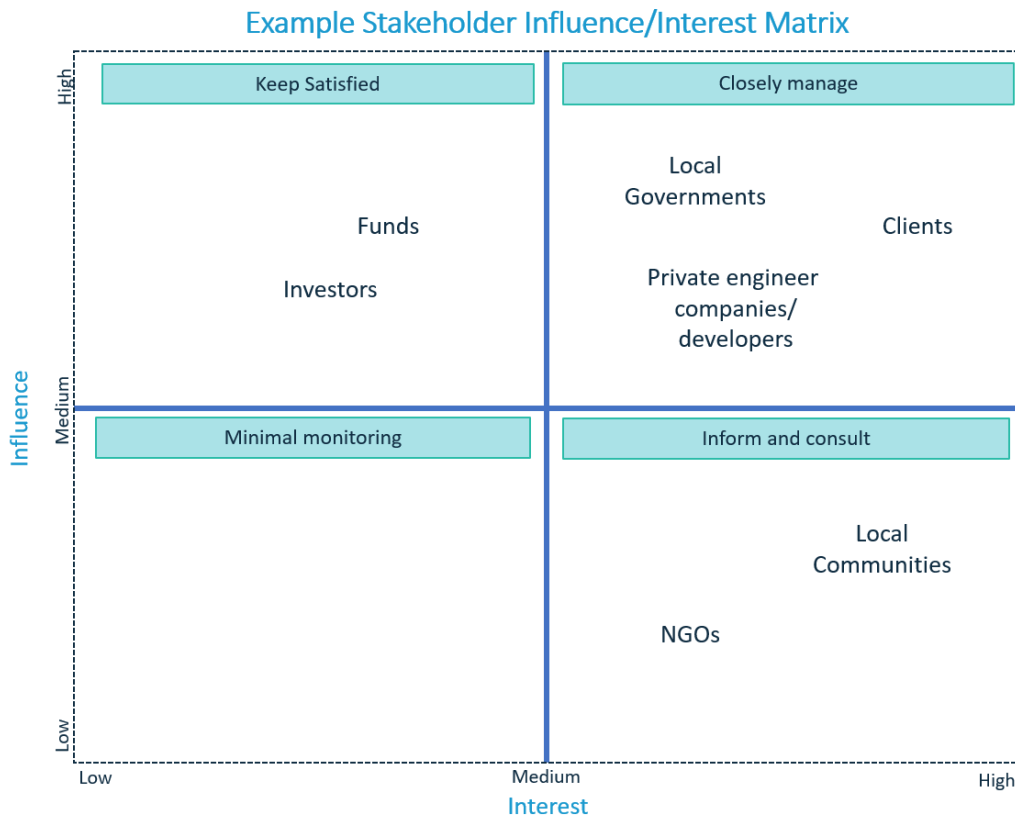


Figure 1 Example Stakeholder Influence/Interest Matrix Example

The values of influence/interest (high, medium, and low) will be quantified by the consortium, where a ranking according to the established criteria will be defined.

In this example of the mapping, the local government, investors and businesses involved are needed to be closely managed, with constant communication, as they are critical to the success of the project.

Finally, local communities and clients should receive information on the progress of the project, although they do not require as much focus as high-powered stakeholders.

3. STAKEHOLDER ENGAGEMENT

Establishing and maintaining strong relationships with stakeholders ensures their support and alignment with project objectives, facilitates easier implementation and helps to achieve the desired objectives.

This process achieves more effective management of their expectations and needs, ensuring that their diverse perspectives are considered. By implementing appropriate communication and collaboration strategies, risks are minimised and support for the project is maximised.

Effective engagement helps build trust and align the interests of all key stakeholders, which contributes significantly to the success and sustainability of the project.

Table 1 Stakeholder resulting and expectations

Stakeholder	Influence/Interest Level	Means of engagement	Expected input/feedback
NGOs	Low/High	Meetings, consultations, partners network	Insights on environmental/social impacts, ethical concerns
Local Governments	High/High	Informal meetings, regulatory consultations	Legal requirements, public policies
Local Communities/ Related to the project Organisations	Low/High	Public forums, surveys	Opinions on social/environmental impact
Clients	High/High	Surveys, interviews	Feedback on products/services, improvement suggestions
Private engineer companies/developers	High/High	Partnerships, meetings	Market trends, collaborative opportunities
Investors/funds	High/Low	Investor briefings, reports	Financial expectations, project risks and opportunities

In the previous table the content of the mapping results, together with examples of possible ways of engagement and the feedback expected from each of the stakeholders involved, is reduced in content.

3.1 ENGAGEMENT STRATEGIES

The techniques used to engage stakeholders, such as meetings, personalised communication plan, active involvement and transparency and reporting are presented in this section. Each engagement strategy will be adapted to the case and the specific needs of each stakeholder. Although each situation will require a particular approach, all methods can be applied to any type of organisation, and several methods can even be combined simultaneously if necessary.

3.1.1 Kick-off meeting

Kick-off meeting provide a platform all the parts involved in the project to meet, organise and define objectives, roles and expectations. This type of meeting establishes an introduction for collaboration, ensuring that all team members have a clear understanding of the project objectives, scope and timeline. During the meeting, an overview of the project is presented, team member introductions are made, roles and responsibilities are discussed, and the project plan is reviewed.

The main benefits of a kick-off meeting include preventing misunderstandings, aligning team members, and setting a positive tone for the project. Clarity in communication and the precise definition of expectations help to minimise future conflicts and ensure that everyone is working towards common goals. In addition, this meeting allows all participants to become familiar with the project and their colleagues, which strengthens team cohesion and facilitates effective collaboration.

3.1.2 Personalised communication plan

The benefit of a personalised communication plan consists mainly of adapting both messages and contact methods to the specific characteristics and needs of each stakeholder group, considering their concerns, expectations and levels of influence on the project. In a context as diverse as this project, which considers multiple countries with different regulatory, cultural and social frameworks, it is essential that each stakeholder receives information in a clear and timely manner.

This communication plan is not an official document, but to align communication strategies with each stakeholder and offer them the Low2HighDH communication platform as a promotional opportunity, so that they also feel involved in the project. This strategy aims to provide benefits to the organisations that decide to collaborate, but no deliverables or internal KPIs will be generated within the project.

For each group, such as local authorities, residents, suppliers and regulators, the needs in terms of dissemination are quite different. For example, local authorities may require frequent and detailed updates on technical progress of the project, while residents may need communications focused on direct benefits such as energy savings or improved air quality. Suppliers, on the other hand, may be more interested in timelines and opportunities for collaboration, for example.

Personalising communication not only ensures that messages are relevant and effective, but also improves understanding of the project as a whole and fosters greater collaboration between all parties involved. The content of the personalised communication will be provided by each stakeholder, and the Low2HighDH consortium will adapt the communication channels (such as mail, social media, website, etc.) to the specific needs of each group. In this way, transparency is reinforced and trust is built, which is important for the successful decarbonisation of these DH systems from different countries in Europe.

3.1.3 Active involvement

Active stakeholder involvement means not only keeping them informed, but also involving them in the process, allowing them to contribute their knowledge, concerns and suggestions at every stage of the project. In the case of local communities, it is important to emphasize that their participation is entirely voluntary. Therefore, we must ensure a balance between involving them and not overburdening them with responsibilities, particularly as their efforts are not compensated.

For a DH system, the active involvement focuses in organising regular meetings, collaborative workshops, conferences, and open consultation. These opportunities for interaction among stakeholders, whether they are local governments, energy companies, community organisations or residents, are essential to share their opinions, give feedback and, and feel listened to and valued. Active participation not only

ensures that local concerns are identified and addressed but can also generate innovative ideas that improve project results.

Promoting the right participation depending on the interest of each stakeholder helps to create a sense of ownership and shared responsibility among stakeholders, which strengthens their commitment and increases participation in the project.

3.1.4 Transparency and reporting

The project aims to ensure that all stakeholders receive clear information at the right time about the project progress and any relevant changes. In the context of a district heating project, this involves providing regular access to non-sensitive information such as reports on the status of the project, milestones achieved, and challenges faced. This practice not only ensures that all stakeholders are aware of the progress and issues, but also helps to manage expectations and maintain trust between all parties.

To achieve greater transparency and access to information, we provide stakeholders with access to reports that include solutions implemented and conclusions reached during project development. In addition, we keep our project social media channels up to date with the latest news and updates. These channels provide an additional way to keep stakeholders informed in real time and ensure that communication is open and continuous. This strategy of transparency not only fosters an environment of open collaboration, but also helps to solve problems more efficiently and build a solid foundation of trust and cooperation between all involved.

4. STAKEHOLDER MANAGEMENT

Effective stakeholder management encourages strong relationships and alignment with key groups. This process simplifies the management of stakeholder expectations and needs, ensuring that their diverse perspectives are considered.

By using appropriate communication and collaboration strategies, risks such as conflicting objectives or project delays are minimised, and support and acceptance of the project is maximised. Good management helps to ensure that the interests of all stakeholders are considered, so it is a priority for CREARA, as project coordinator, to contribute significantly to the success and sustainability of the project.

4.1 MANAGEMENT STRATEGIES

The techniques used to succeed in stakeholder management, such as expectations, conflict resolution, and mentoring and evaluation are presented in this section.

4.1.1 Expectations management

Expectation management involves coordination across multiple national and cultural contexts. To ensure that all stakeholders have a clear understanding of the project's objectives and constraints, clear and

regular communication via e-mail, (for example annual consortium meetings or dissemination announcements) needs to be established from the outset. This includes providing detailed information on the scope of the project, expected milestones and country-specific constraints.

Defining realistic expectations from the outset is essential to avoid misunderstandings such as conflicting objectives or delays in the deliverables and to ensure that stakeholders' expectations is consistent with the project objectives. As the project covers several locations, it is important to adjust the approach according to local specificities and project progress, to achieve a better adaptation in each target country.

This proactive approach to expectation management ensures that the needs and concerns of all stakeholders in each country are adequately addressed, thus promoting the success and integration of the project in different national contexts.

4.1.2 Issue management

Managing differences in opinion and understanding is important to maintain positive and strong stakeholder relations. This involves proactively identifying any disagreements or concerns that may arise and mediating in an impartial manner to find solutions acceptable to all parties involved.

Implementing a clear and structured process for managing these differences that may arise, such as differences in culture or expectations about the project, helps to minimise any negative impact on the project, promoting a collaborative and constructive environment. This approach ensures that all participants feel heard and valued, thus facilitating the effective resolution of any situations that may arise.

For the remediation plan, the following main steps should be executed:

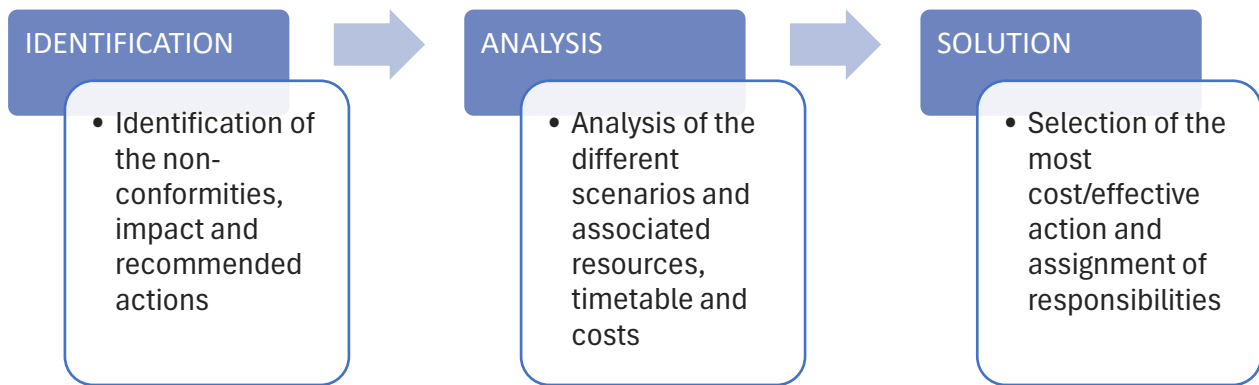


Figure 2 Proposed strategy to handle the issue

In conclusion, the simple strategy proposed to address the problem involves a structured approach of identification, followed by an analysis, and concluding with an adapted solution. This ensures understanding of the problem and the implementation of an efficient resolution.

4.1.3 Monitoring and evaluation

Continuous monitoring and evaluation not only guarantee that environmental and technical targets are met, but also reinforce transparency and engagement with each stakeholder, so it is a combination of objectives.

Different stakeholder groups (such as project managers, communities, local governments, etc), play a key role in the monitoring and evaluation process. Project managers are responsible for day-to-day management and rely on this process to keep the project on track and adjust when necessary.

Beneficiaries, who are the communities and people directly affected by the project, are also involved in monitoring and evaluation. Their feedback is crucial to ensure that the project is achieving the expected results. Their participation is needed to ensure that the DH project is meeting their needs and improving their quality of life. Implementing partners, who implement the project at the local level, rely on the process to ensure that they are meeting the project objectives and can adjust their actions if necessary.

In addition, monitoring and evaluation involves government officials, who are responsible for ensuring that the project is aligned with national and local decarbonisation and energy efficiency policies. Finally, researchers benefit from it by accessing valuable data and lessons learned that can be used to inform studies and improve future projects.

An effective monitoring system allows areas for improvement to be proactively identified and adjustments to be made to improve results. By collecting regular feedback from all stakeholders, not only is the satisfaction of all parties ensured, but also the overall success of the project in each of the countries involved.

4.1.4 Recognition of contributions

Recognition of stakeholder contributions in the context of a European project, which focuses on sustainability and emission reductions, is essential so that the actors involved, including local communities, governments, energy companies or NGOs, feel valued for their efforts, ideas and active participation. Recognition of these contributions not only strengthens positive relationships between the project team and stakeholders, but also helps to create an environment of cooperation and long-term commitment.

This recognition can take many forms, from public recognitions and reports highlighting the impact of contributions, to dedicated events where achievements made by the participants are recognised. The value of stakeholder recognition and reward lies in its ability to improve the satisfaction, loyalty, and commitment of all stakeholders. In addition, rewards such as development opportunities, symbolic incentives or professional training can also reinforce the relationship with stakeholders.

Appendix 1: References and Related Documents

	Reference or Related Document	Source or Link/Location
1	Low2HighDH project Grant Agreement No 101120865	Low2HighDH Project SharePoint, Reference Documents folder
2	Low2HighDH project Consortium Agreement	Low2HighDH Project SharePoint, Reference Documents folder
3	D3.5. Stakeholder community set up recommendations	Low2HighDH Project SharePoint, Deliverables & Milestones
4	Stakeholder Engagement: Past, Present, and Future	Stakeholder Engagement: Past, Present, and Future - Johanna Kujala, Sybille Sachs, Heta Leinonen, Anna Heikkinen, Daniel Laude, 2022 (sagepub.com)
5	How To Create an Effective Stakeholder Communication Plan	How To Create an Effective Stakeholder Communication Plan (forbes.com)
6	Understanding Stakeholders in Monitoring and Evaluation (M&E)	Understanding Stakeholders in Monitoring and Evaluation (M&E) - EvalCommunity EvalCommunity
7	European e-Justice Portal - Business registers in EU countries (europa.eu)	European e-Justice Portal - Business registers in EU countries (europa.eu)
8	European e-Justice Portal - National legislation (europa.eu)	European e-Justice Portal - National legislation (europa.eu)