



*Stakeholder analysis is a process that names and then categorises the people who either affect or are affected by a particular activity or issue.*

It is important to analyse stakeholders at various stages of the development cycle since the development process is dynamic and may change over time. This can highlight people who have not previously been considered and may indicate which relationships require attention. Often the needs of more powerful and visible stakeholders are easily recognised, however it is vital to seek out linkages and represent the people who are less obvious.

Stakeholder participation is a vital element of all development work but it is often given insufficient attention. It is important to know who has an interest in each activity and each stage of that activity as well as understanding what type of contribution may be expected from them. Stakeholder analysis is the first step towards effective partnerships and ensuring development plans are accurate, relevant and usable. It may be important to consider who may hinder your project impacts and to think about if their interests need to be managed. Different stakeholders are likely to need different types of involvement and communication.

It is vital to consider how you will involve and represent those people who will be affected by your project but may have little power and influence of their own.

### Methodologies

Stakeholder analysis can be achieved as a stepwise process:

Stakeholder Analysis : basic assessment process	
<b>Step 1</b>	Identify any organisation or person who: <ul style="list-style-type: none"><li>– has an interest in the project either positively or negatively</li><li>– contributes to the objectives of the project</li><li>– is affected by the objectives of the project</li><li>– can influence the problems to which the project responds</li></ul>
<b>Step 2</b>	Make a more detailed analysis of each stakeholder in terms of their: <ul style="list-style-type: none"><li>– problems and interests</li><li>– linkages (co-operative or conflicting)</li><li>– potential (strengths and weaknesses in terms of the project)</li><li>– power &amp; influence</li></ul>
<b>Step 3</b>	This step is about applying the results of the analysis. Discuss whose interest and views are to be given priority when planning, managing and measuring your activities and outcomes? Are there any adjustments that should be made in your development approach to make it more effective or sustainable?



### Step 1

#### Exercise 1:

##### **Who are the stakeholders of your project?**

Stakeholders may include many groups and individuals. Try to be as specific as possible. E.g. If you have several different donors then name them separately. Are beneficiaries one homogenous group or can they be subdivided?

List the stakeholders of your project below.

### **Frameworks for Stakeholder Analysis**

There are many tools that have been adapted to help with stakeholder analysis and a range are included that you may want to adapt to better suit your needs.

#### **Venn Diagram**

This tool is particularly useful for describing relationships between stakeholders.

Stakeholders are named and presented inside circles of varying sizes. The size of the circle often indicates the importance of that stakeholder to the achievement of the organisation's or project's aim. The circles are then positioned in relationship to each other. The project is usually placed in the centre and then the stakeholders placed at



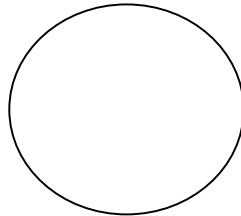
varying distances away from the centre according to the degree of contact or co-operative relationship established.

## Step 2

### Detailed analysis (STEP 2)

#### VENN DIAGRAM

Draw a venn diagram of your organisation's stakeholders.



### Influence/Importance Matrix

High Importance/Low Influence	High Importance/High Influence
Low Importance/Low Influence	Low Importance/High Influence



This tool is particularly useful when looking at the role of various stakeholders in your project, and how they are to secure their stake. If you were planning a water and sanitation project where would you put young men? Where would you put young women? How would this help you when you came planning the project with the community?

## Impact of Projects on Stakeholders

Impact analysis tell us that stakeholders do not have an equal chance of addressing their needs, despite the personal value they place of their 'stake' in the project. Analysts suggest that this is because the ability of stakeholders to secure their stake varies considerably. Attempts have been made to develop techniques to explore this variable potential. One such analytical process is described below. This exercise is similar to the analysis in the previous one.

Stakeholder Analysis: Impact Assessment Process																			
<b>A</b>	<p>For each stakeholder, estimate how much value they place on their stake or interest in the project. The value can be positive or negative (i.e. their stake may be to see something happen (+) or not happen (-).</p> <table style="margin-left: 40px;"> <tr><td>Critical</td><td>5</td></tr> <tr><td>Essential</td><td>4</td></tr> <tr><td>Necessary</td><td>3</td></tr> <tr><td>Desirable</td><td>2</td></tr> <tr><td>Non-essential</td><td>1</td></tr> </table>	Critical	5	Essential	4	Necessary	3	Desirable	2	Non-essential	1								
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Essential	4																		
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<b>B</b>	<p>Assign a power level to each stakeholder. This rates the ability of the stakeholder to take effective action to ensure their stake.</p> <table style="margin-left: 40px;"> <tr><td>Control</td><td>- complete</td><td>6</td></tr> <tr><td></td><td>- very significant</td><td>5</td></tr> <tr><td>Influence</td><td>- significant</td><td>4</td></tr> <tr><td></td><td>- moderate</td><td>3</td></tr> <tr><td></td><td>- low</td><td>2</td></tr> <tr><td>Appreciation</td><td>- lowest</td><td>1</td></tr> </table>	Control	- complete	6		- very significant	5	Influence	- significant	4		- moderate	3		- low	2	Appreciation	- lowest	1
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<b>C</b>	<p>Multiply the value of the stake to the stakeholder by the power to take action. The result is an indication of the stakeholder's likely impact on the project.</p>																		

This model is a useful tool for describing why, even when a stakeholder places a high value on their stake in a research project (whether positive or negative) but has a low power level to secure the stake the project may not serve their interests. eg.  $5 \times 2 = 10$ . Conversely, a more influential stakeholder with perhaps only a moderate interest in a particular outcome may still have greater power to secure this outcome eg.  $3 \times 5 = 15$ . Although this is a quite simplistic model, it does much to explain why many projects have failed to serve the needs of the less influential members of society and why participatory

## RWSSP: TOOLKIT. 7.8 Stakeholder Analysis



planning is now seen to be an essential component of all development project planning. Once a project has been identified and agreed in this way, project planning teams can also use the model to identify how to harness the potential of stakeholders who are in favour of the project (high positive scores) and how best to minimise the potential of stakeholders who are opposed to the project (high negative scores).

### Example

Stakeholder	Stake Value	Power	Total
1	5	2	10
2	3	5	15

### Supportive/Antagonistic/Constructive/Destructive Matrix

(+ ) Constructive/Supportive		Destructive/Antagonistic (-)	
1	2	4	5
3		6	

Its important to know who supports the project and who doesn't – so that you can manage stakeholders effectively. The Supportive/Destructive Matrix is used to analyse stakeholders and then decide where you need to move them to . It is often used in conjunction with other tools. For example the stakeholders may be identified and numbered on the Importance/Influence matrix and then the influential stakeholders can be analysed again in terms of the direction of their force on a sliding scale from –ve to +ve. If they are very antagonistic with considerable influence – how will you manage this?

### Readiness/Power Matrix

Stakeholders	Readiness			Power		
	High	Medium	Low	High	Medium	Low
1.		O	X	X		
2.	X			O	X	
3.	X					X
4.			X		X	O

## RWSSP: TOOLKIT. 7.8 Stakeholder Analysis



Readiness means either the amount a stakeholder knows about the project or whether the view is positive or negative.

Power is the influence the stakeholder has over the success of the project

X is the start position

O is the position we decide we want to achieve for this stakeholder

(For example:

1. Is a top manager – it is in our interest to move his knowledge of our project from low to medium.
2. Is our middle manager direct counterpart – it is in our interest to increase his influence.
3. Is a project worker – we decide we don't need to do anything about them.
4. Is a competing middle manager – they are disruptive to the project and their power needs to be lessened.

### The Participation Matrix

#### Project Management

Project Stage/Action	Consult/Extract (by project for project)	Involvement in activities & decisions	Fully Shared Decision Making	They initiate, and lead
Identification				
Select Beneficiaries				
Select partners				
Planning				
Implementation				
Monitoring and Evaluation				

The Participation Matrix helps analysts consider how each separate stakeholder group should be involved in the project and when.



## Step 3

The analysis can help to identify how effective and representative your development approaches are. The final step is to use the results of the analysis to reinforce the strengths of your organisation or to bring about improvements.

### Fostering Ownership: The Ultimate Goal

The figure below is helpful in understanding how stakeholders can be influenced. Each “box” would require different communication/promotion strategies. The concern here is with the audience’s own perception of their level of knowledge and interest in a topic. Ultimately, the aim is to move people from a position of low interest and little knowledge to a position of high interest and high knowledge (bottom left to top right). It is at this point that action may follow. Nevertheless, behaviour change is not guaranteed; it is only more likely. There can be various external factors blocking action which are beyond the project’s influence. Advocacy initiatives, incorporating campaigns, education and lobbying can equally use this model.

#### Matching Communication Technologies to Clients

	Perceived Importance of Topic to Stakeholder		
		Low	High
How Much The Stakeholder Feels They Already Know	High	Develop enthusiasm to address topic	Challenge existing beliefs?
	Low	Develop awareness of topic and enthusiasm to address it	Facilitate learning by stakeholder



### Learning Points Review

1. Stakeholder analysis may be conducted as part of project planning or as an evaluation activity
2. It takes time to ensure all groups are represented – especially the less visible ones
3. There are a variety of analytical tools that can be adapted for a variety of situations
4. The important lessons to learn are that every project team needs to know who their stakeholders are, whether they are for or against the project and how they plan to go about meeting their needs or controlling their influence.
5. It is important to analyse the different needs of each stakeholder.
6. Different groups are likely to present different stakeholder analyses.



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