Module 3: Stakeholders Identification and Partnership Development

Session 3.1: Stakeholder Identification & Analysis

Topics:
- Stakeholders in project, stakeholders identification under seven sectors
- Importance of stakeholders analysis
- Key steps in stakeholder analysis
- Various tools and techniques in stakeholder analysis process

Summary: This session introduces the concept and importance of stakeholders in project and how to identify and assess their roles affecting or affected by the project to ensure project goals and outcomes can be achieved as designed and planned. This session covers the key processes and activities including various tools and techniques in stakeholder analysis.

Key Words: Key stakeholders, stakeholder identification, stakeholder analysis process, analysis tools

Objectives: To be able to
- Identify stakeholders in relations to an issue, objective, and context
- Learn the process of identifying and analyzing stakeholders in project
- Assess stakeholder's interest and influence towards project

Outcomes: Participants will learn how to identify and assess stakeholders from the perspective of an issue or project for subsequent management and engagement throughout project cycle

Methods: Presentation delivered by RP; class exercise and practice of using tools

Materials: PPT, Flip charts (White board), markers, color papers, scissors, tape

Contents:

– Stakeholders in project

Stakeholders play an important role in projects and can make or break our interventions despite how well-designed and intended they are. Ideally, all stakeholders (intended beneficiaries and other parties) should be involved in a participatory process to determine the range of existing problems and decide which of them the project should address. The stakeholders should also be involved in determining the solutions the project will deliver and the targets the project should achieve.

At the beginning of a project, or the project design phase, we will start the comprehensive assessment of who the project stakeholders are, their power and influence, and explore ways to engage them. The stakeholder analysis will be a launching point for a management and engagement strategy that is developed and implemented in later phases of the project.

– Importance of stakeholders analysis

Experience shows that when stakeholders are overlooked or misunderstood in the project, or their interests are poorly engaged or excluded during a project, it can often result in unexpected and undesirable outcomes. Projects that take the time to identify and understand stakeholders through a group process, benefit from:

- A clearer understanding of the individuals, groups and institutions that will be affected by and should benefit from project activities;
- A better indication of the capacities of these stakeholders;
- A more informed understanding of who could influence and contribute to the planning and implementation of the project
- A more committed group of project stakeholders to implementing a design they helped create.

– Key steps in stakeholder analysis

Stakeholder analysis is a diagnostic process that enables the project team, working closely with project stakeholders, to identify key stakeholders, including intermediaries and intended beneficiaries, their relationships to each other, and their level of interest. As it is best to have project stakeholders to join this process, this should be the first step when preparing any project.

Step 1: Stakeholder Identification (pertinent to MKCF seven sectors)

First step of the stakeholder analysis process is identifying stakeholders. All projects involve several key stakeholders who are defined as the agencies, organizations, groups, or individuals that have a direct or indirect interest in the project and the development problems it seeks to address. Stakeholders can also be those who may affect, be affected, or perceive to be affected by a decision, activity, or result of the project. In general, stakeholders may be categorized as government, civil society (including citizens and CSOs), and the private sector.

Based on the issue(s) the project will address (***namely under the seven sectors of MKCF***), consider the potential geographic areas and beneficiaries that the project could assist. The project could consider, for example, the issues of transport in rural areas, elderly care, or urban air quality. Identify ***all the stakeholders involved in the issue*****(s*****)***, grouping them by category (e.g., intended beneficiary groups, public sector organizations, CSOs, advocacy groups, private companies, and development partner agencies).

Be sure to distinguish among the different subsections of the stakeholder group as relevant to the context. Specifically, it is important to identify marginalized groups and subgroups; for example, an elderly population may need to be differentiated by socioeconomic status, ethnicity, and/or gender.

To help with identifying the vast array of stakeholders related to your project, these are categories of stakeholders:

Primary Stakeholders –

- Who stands to be directly affected by the program, either positively or negatively?
- Whose approval or input is needed before a program can move forward?

Secondary Stakeholders –

- Who stands to be indirectly affected by the program, either positively or negatively?

Tertiary Stakeholders –

- Who is not directly or indirectly affected but can have significant impact (either positive or negative) on the program by influencing others?

Step 2: Stakeholder interests and concerns

Determine the interests of ***each group with reference to each issue*** (e.g., elderly care, youth skills development, disabled inclusion). Record how and why they are involved, the level of intensity of their interests and concerns, their expectations, and their potential to benefit or suffer as a result of any changes to the context or situation surrounding the issue.

Some questions to ask: What might they gain or lose through the project? What are the stakeholders' expectations (both positive and/or negative)? What are potential roles for stakeholders? What capacities do they hold? Are they supporters or blockers?

Step 3: Stakeholder problem

Determine ***which problems each group perceives are surrounding each issue*** (e.g., What are the problems associated with elderly care?). Record clear problem statements that describe the effects on those affected (e.g., for the issue of transport in rural areas, the problem should be stated as "travel is long, uncomfortable, and expensive" [correct]; rather than "no road maintenance system" [incorrect]).

Step 4: Stakeholder resources

Identify the resources—financial and nonfinancial—each group has put, or could raise, toward each issue. This includes resources to support or prevent change. Formal organizations have both financial and nonfinancial resources, while population and civil society groups have predominantly nonfinancial resources. These can include labor, political influence, votes, readiness to strike, and public pressure.

Step 5: Stakeholder mandates

List the mandates or formal authority that stakeholders must carry out in a particular function, as appropriate. Generally, population groups, such as low-income groups, farmers, and women, do not have mandates.

– **Various tools in stakeholders analysis**

There are various tools to support project teams in conducting this process. Below are several examples.

I. A simple stakeholder analysis table[3], which is useful for compiling and communicating the information for each step.

Figure 11: Stakeholder Analysis Table Template

Stakeholder (i)	Stakeholder's Interest (ii)	Perceived Problems (iii)	Resources (iv)	Mandate (v)

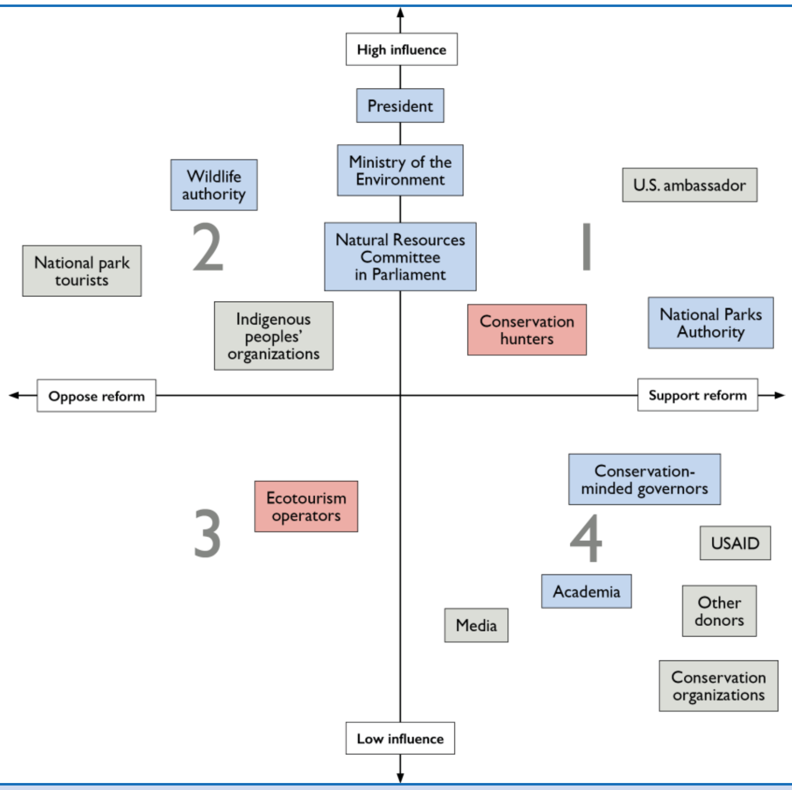
II. Stakeholder Analysis Map[4]

A stakeholder analysis map can be used to visualize how stakeholders compare in terms of their influence and interest in a given program. The horizontal axis is used to define the stakeholder's position regarding an issue.

Below figure shows an example of a stakeholder analysis map. The horizontal axis represents support of or opposition to a strategic approach and the vertical axis represents the level of influence of the stakeholder. Blue boxes designate government actor; pink boxes designate private sector actors; grey boxes designate other stakeholders.

[3] Guidelines for preparing and using a design and monitoring framework, Asian Development Bank, October 2020, available under the license available under the Creative Commons Attribution 3.0 IGO license (CC BY 3.0 IGO) https://creativecommons.org/licenses/by/3.0/igo/

[4] Best Practices for Stakeholder Engagement in Biodiversity Programming, USAID, September 2018



III. Venn Diagram[5]

Venn Diagrams are created to analyze and illustrate the nature of relationships between key stakeholder groups. A Venn Diagram is developed from the perspective of a single project stakeholder (or a group of project stakeholders). Each circle in the diagram identifies a stakeholder involved in the project.

The size of the circle used can help indicate the relative power/influence of each stakeholder, while the spatial separation is used to indicate the relative strength or weakness of the working relationship / interaction between different groups/organizations. Venn diagrams are commonly used as a participatory planning tool with target groups to help them profile their concept of such relationships.

IV. Stakeholder Analysis Matrix[3]

The Stakeholder Analysis Matrix uses the outcomes from the Venn Diagram (or other stakeholder influence mapping tools) to further identify, elaborate and communicate the interests, capacity and potential actions of project stakeholders. Unlike the Venn Diagram, the matrix allows a further narrative that provides additional data concerning stakeholders, their interests, their influence and potential actions to address the stakeholder interests.

[5] **Project DPro Guide** Project Management for Development Professionals Guide (PMD Pro). 2nd Edition, March 2020, licensed under the Creative Commons Attribution NonCommercial 4.0 International License. http://creativecommons.org/licenses/by-nc/4.0/

The Stakeholder Analysis Matrix is a living document that should be updated at specific points throughout the project. Decision gates are a great opportunity to get the project team together to reassess the stakeholders and ensure that they are being communicated and engaged with at an appropriate level.

Group Practice of using stakeholder analysis tools:

1. Participants will be divided into groups (according to sector/country)
2. Each group will select one of the introduced tools for stakeholder analysis
3. The group will first identify all relevant stakeholders on an agreed issue/context, then perform analysis on the identified stakeholders, and present the discussed results to the plenary.
4. Participants will be asked to reflect on their experience in the stakeholder analysis process to surface questions/concerns and facilitate peer learning across groups

Session 3.2: Partnership Development and Stakeholders Engagement in Design, Implementation, and Evaluation

Topics:
- Stakeholder analysis and engagement in full project cycle
- Types of engagement
- Establishing new partnerships and/or leveraging existing partnerships with collaboration mapping tool

Summary: This session discusses managing and engaging stakeholders for full project cycle, as well as types of engagement that can be deployed according to the relationship, capacity, and influence of different stakeholders. The session will take the results from the analysis of stakeholders (Session 2.1) and illustrate how they can be used to develop stakeholder engagement or partnership development strategy/plan for the project.

Key Words: Stakeholder, engagement, partnership development, full project cycle, collaboration

Objectives: To be able to
- Understand stakeholder engagement and different mechanisms of engagement throughout the project
- Design partnership development and/or engagement strategies and actions throughout project cycle

Outcomes: Participants will learn why and what is stakeholder engagement, how to develop partnership and/or engagement plan for an issue or project based on stakeholder analysis

Methods: Presentation delivered by RP; class exercise

Materials: PPT, Flip charts (White board), markers, color papers, scissors, tape

Contents:

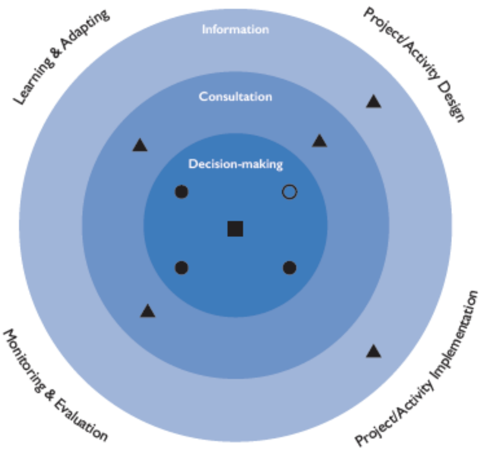
– Stakeholder analysis and engagement in full project cycle

Stakeholder engagement is the process of ***including stakeholders in an action or decision-making process***. Stakeholder engagement can bring to light the issues that matter most to those affected by a programming decision and ensures that stakeholders are represented in decision-making. Stakeholder engagement can provide program implementers with a range of viewpoints and perspectives, as well as valuable knowledge about the local social and ecological systems, which can lead to more robust program design and implementation and more sustainable outcomes.

1. Stakeholder Identification (Design)
2. Stakeholder Analysis (Design)
3. Stakeholder Engagement (Project Setup)

4. Stakeholder Communications (Project Planning)
5. Revision and Analysis (Continuously)

Stakeholder analysis and engagement should continue throughout the project cycle because it fulfills different functions at different stages. During problem identification, it serves to identify important and influential stakeholders and draws attention to how to involve them in the analytical and planning process. During project formulation, it guides design decisions and the analysis of assumptions and risks. During project implementation, it helps develop strategies to keep stakeholders informed, track their changing circumstances and interests, and plan their possible involvement during implementation.



– **Types of engagement**

Engagement ranges from stakeholders merely receiving information about an initiative to full collaborative partnerships. Different groups of stakeholders can engage in different ways through the various stages of the Program Cycle. Stakeholder engagement can be viewed along an intensity continuum, with activities generally grouped as follows:

Informing & Communicating – Participants are informed about what has already been decided or what action has been or will be taken.

Consulting – Stakeholders are consulted on preferences for alternatives, decisions, or actions in which other actors make the final decision. This can include participation in exchange for material incentives or in response to contractual obligations.

Decision-Making – Collaborative, two-way communication, and effective partnering with stakeholders in all relevant activities and phases of the decision-making process, including identifying the problem, consultation, gathering information, formulating alternatives and exploring their potential consequences, implementation, and evaluation.

– Stakeholder Engagement Plan

Developing and implementing a stakeholder engagement plan is about engaging the right stakeholders at the right time. While this is an ongoing activity, it requires planning and adjustment throughout the project and is not something that can be done ad hoc. Establishing a stakeholder engagement strategy during the project startup phase provides clarity on how stakeholders will be involved in various project activities and what their involvement and engagement will be. Doing this in the beginning will ensure participation and the engagement of stakeholders during subsequent phases.

- Example of a stakeholder engagement Plan:

Stakeholder	Role in Activity	Interest in Activity	Engagement	Follow-up
Who is the stakeholder?	What will they do in this activity?	What is their interest in participating in this activity?	How will we engage them to ensure their participation?	What kind of feedback and follow-up is required?
Local Municipality Official	Provide an opening speech for the project launch.	Participation will provide exposure for the municipality and official and demonstrate that they are interested in providing support for projects that will help the community.	Coordinate and communicate about the project purpose through an official letter followed by a meeting to request buy-in and participation in the launch.	Send an official thank you letter and include their role in the activity in the official press release. Have a follow-up meeting with official(s) to answer any questions and request their engagement in future activities.

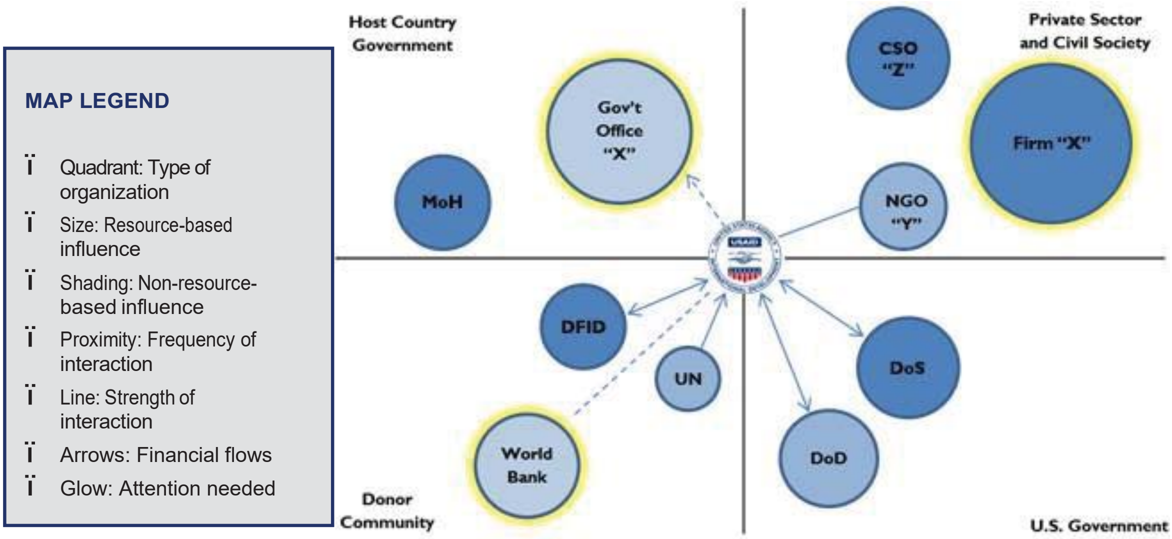
– New partnerships and/or strengthening existing ones

Assessing relationships can help project implementing partners identify opportunities to leverage current relationships or establish new ones to identify or advance project objectives. Two questions to ask and discuss before developing and engaging in partnerships:

1. Take stock of the current relationship – Who have we worked with in the past on similar or related topics?
2. Identifying potential new partners – Who else is already engaged on this issue?

Based on frequency of interactions and interaction characteristics of the identified partners, the **Collaboration Mapping Tool**[6] can be used and a map drawn to provide a visual result that can serve as a baseline, target-setter, and reminder of agreed-upon strategic priorities throughout implementation. Having the collaboration map printed and displayed encourages a focus on strategic use of project staff time and effort. Collaboration maps can also help coordinate efforts among various partners.

– Drawing the collaboration map[4]



Frequency of interaction: **determine the current status of the relationship between each potential collaborator and the project. Take each potential collaborator and score them according to how much interaction currently takes place with the project. These scores should be selected based on an open discussion among project team to share each person's perspectives. It is possible that each person has unique information that would change how they would rank the current interaction with stakeholders. Have each participating team member rank each of the potential collaborators on a 10-point scale according to the following:**

1–2 = No Interaction
3–4 = Rare
5–6 = Intermittent
7–8 = Regular

[6] Collaboration Mapping: A Facilitation Guide, USAID Learning, Evaluation, and Research Office in the Bureau of Policy, Planning, and Learning, 2015

9–10 = Constant and Consistent

Average team members' rankings for an overall score for each stakeholder and discuss the average result as a group to allow for any adjustments or to address any disagreements. On the map, this will be represented by the relative proximity of each stakeholder circle to the center—the CLOSER to the center, the more interaction/closer the current relationship. Discuss the visual representation with the group to make sure everyone understands and agrees with the results.

Interaction characteristics: **Next, for each potential collaborator, determine strength and quality of the relationship. As a team, discuss the following questions:**

- Who has the relationship with X?
- Does the relationship rely on just one contact (at either the project implementing agency or the other stakeholder)? If that key person leaves on either end, does the circle (i.e., relationship) begin to move away from the implementing agency?
- How many people do we interact with at X?
- Are communication channels with X open and is communication frank and honest?

On the map, this will be represented by a line connecting the stakeholder's circle to the center. A SOLID line represents a strong relationship that could withstand staff turnover or political changes, and a DOTTED line represents a weak relationship that relies on only one main contact on either side or a potentially tenuous relationship.

Financial exchange: Sometimes, there may be value in representing whether or not there is a financial element to the relationship between the project and the stakeholder. If so, in what direction is the financial exchange? Is the project implementing agency providing funds to this actor, receiving funds from them, or jointly investing in programming?

On the map, this will be represented by the directional arrows on the line connecting the stakeholder circle to the center. If there is no financial exchange, leave the line without arrows. If the project is funding the stakeholder, add an arrow pointing toward the stakeholder's circle. If the project is receiving funds from this stakeholder, add an arrow pointing toward the center circle. If the project is jointly investing in programming with the stakeholder, add arrows on both ends of the line.

Determine resource-based influence: The next step is to rank each potential collaborator or stakeholder according to the level of resource-based influence (financial and human) they have over the achievement of the objective. This influence is defined strictly in terms of direct resources, i.e., how much money, time, and staff this stakeholder already invests or potentially has to invest in the desired outcome. The LARGER the circle, the greater the stakeholder's resource-based influence on this particular objective.

Determine non-resource-based influence: Then, take each potential collaborator and rank them according to how much non-resource-based influence the stakeholder has over the achievement of the objective. Non-resource-based influence can include political power, traditional and/or social media voice, name recognition, membership size, access to other resources, leadership in key working groups, etc. The DARKER the circle, the more non-resource-based influence this stakeholder has on this particular objective.

Discussion:

Do our relationships with these stakeholders need to be strengthened? Which ones? Either really big circles or really dark circles that are not close to the center circle (project objective) should be a big concern; these actors have a lot of influence, and we are likely not interacting with them sufficiently.

Group discussion and exercise of partnership development/strengthening:

1. Participants will join different group that represents a specific sector
2. Each group will decide on a key issue under the chosen sector
3. Based on known context and stakeholders, as well as other possible researched information in the allowed time, participants will draw a collaboration map focusing on listing and analyzing potential and existing partners
4. Discuss among members of the group to reach consensus of deciding the various features of the map
5. Share the map with plenary and present any challenges faced in the process as a group