

## **Guidance Note: STAKEHOLDER ANALYSIS**

1. Stakeholders are people or organizations who either (a) stand to be affected by the project or (b) could 'make or break' the project's success. They may be winners or losers, included or excluded from decision-making, users of results, participants in the process.

2. Stakeholder analysis is the identification of a project's key stakeholders, an assessment of their interests in the project and the ways in which these interests may affect a project.

3. The reason for doing a stakeholder analysis is to help you identify:

- which individuals or organizations to include in your coalition (although its composition may evolve during project design and implementation)
- what roles they should play and at which stage
- who to build and nurture relationships with
- who to inform and consult about the project

It will also help you to justify these decisions.

4. There are many ways of preparing this analysis. For the purpose of the Concept Note, we ask you to consider both the coalition and other (external) stakeholders; and to complete four tables (see below) based on those stakeholders that you judge to be high priority.

5. These tables are regarded as working documents. As your work progresses, stakeholders and/or relationships may change. The development of the PMF will require further development of your preliminary analysis, including an examination of relationships.

6. We would like you to be as specific as possible in naming stakeholders but also realistic. 'NGO' is too vague and we would not expect it to be possible, nor relevant, to connect with all existing NGOs. It may be useful to consider sub-groups at times, for example, particular departments or sections within organizations; or 'wholesalers' or 'retailers' rather than just 'traders'.

7. You will probably find that your initial list of stakeholders is very long. For practical reasons, you will have to prioritise the most relevant before carrying out your analysis. It is sometimes difficult to identify 'key stakeholders' in one step. One method you could use is to first brainstorm a list; and then position them on a matrix (see below) which indicates relative importance to, and influence on, the project. You can then consider which stakeholders to present in the tables.

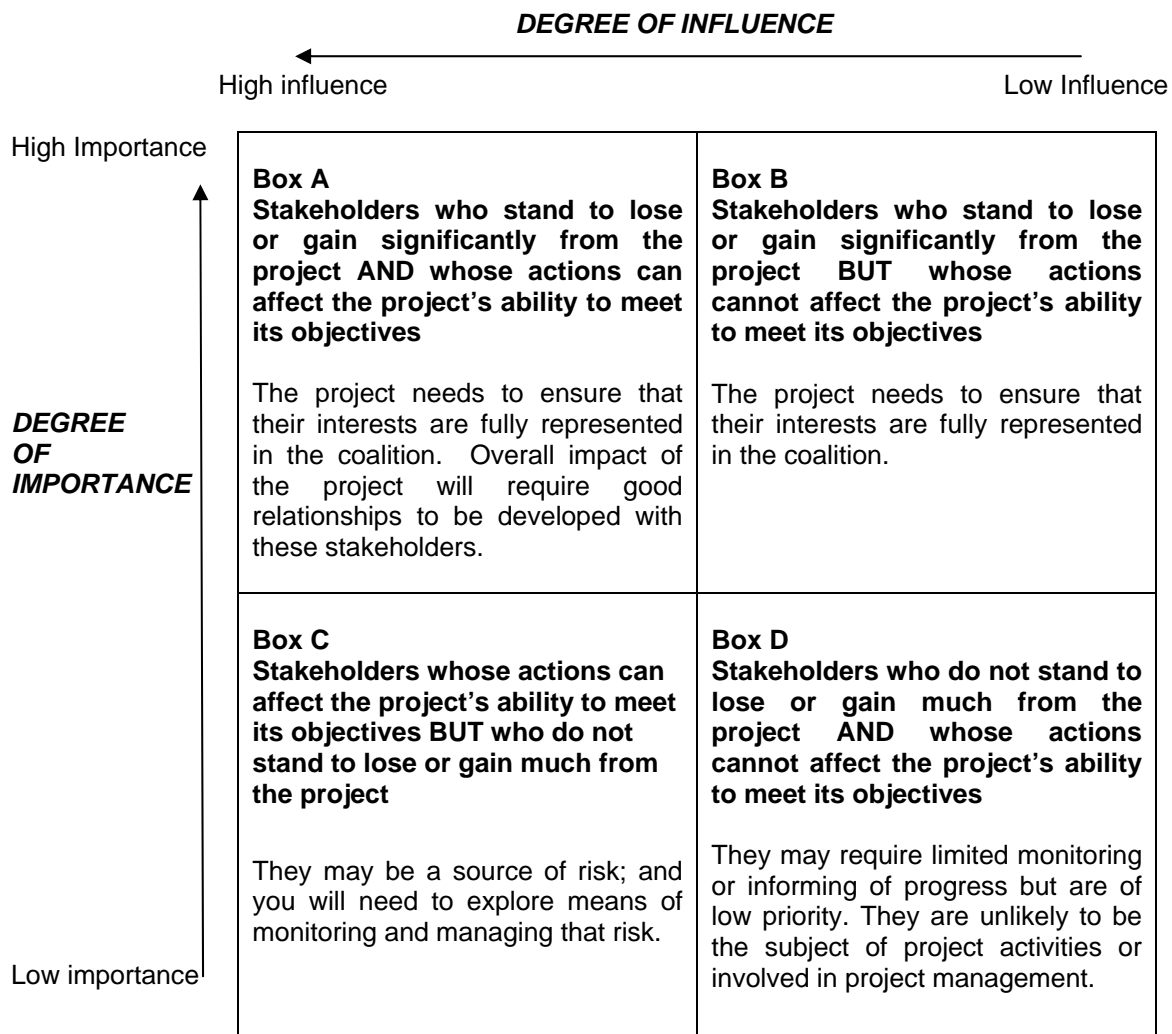
8. Keep your matrix as part of project documentation. It will be useful for developing the PMF and can also act as a monitoring tool during implementation.

## Matrix for prioritising key stakeholders:

You may use this matrix as part of a group exercise to prioritise which stakeholders are the most important to consider – and indeed involve – in project design. First, brainstorm a list of stakeholders by asking yourselves:

- Who stands to lose or gain significantly from the project?
- Whose actions could potentially affect the project's success?

Then position each one at the appropriate point between the axes. 'Importance', along the x axis, means the degree to which a stakeholder stands to lose or gain from the project. 'Influence', along the y axis, refers to the relative ability of a stakeholder to affect project success.



- Those you have positioned in Box D are not key stakeholders and you can effectively ignore this group in project design and implementation.
- Those in Box A are the most important stakeholders and their interests should be represented on your coalition. You should likewise ensure that the interests of the strongest stakeholders in Box B are represented on the coalition.
- You will probably want to build and nurture relationships with the most influential stakeholders in Box C, to 'keep them on board'.
- When you come to fill in the tables below, only consider the most important stakeholders from boxes A, B and C.