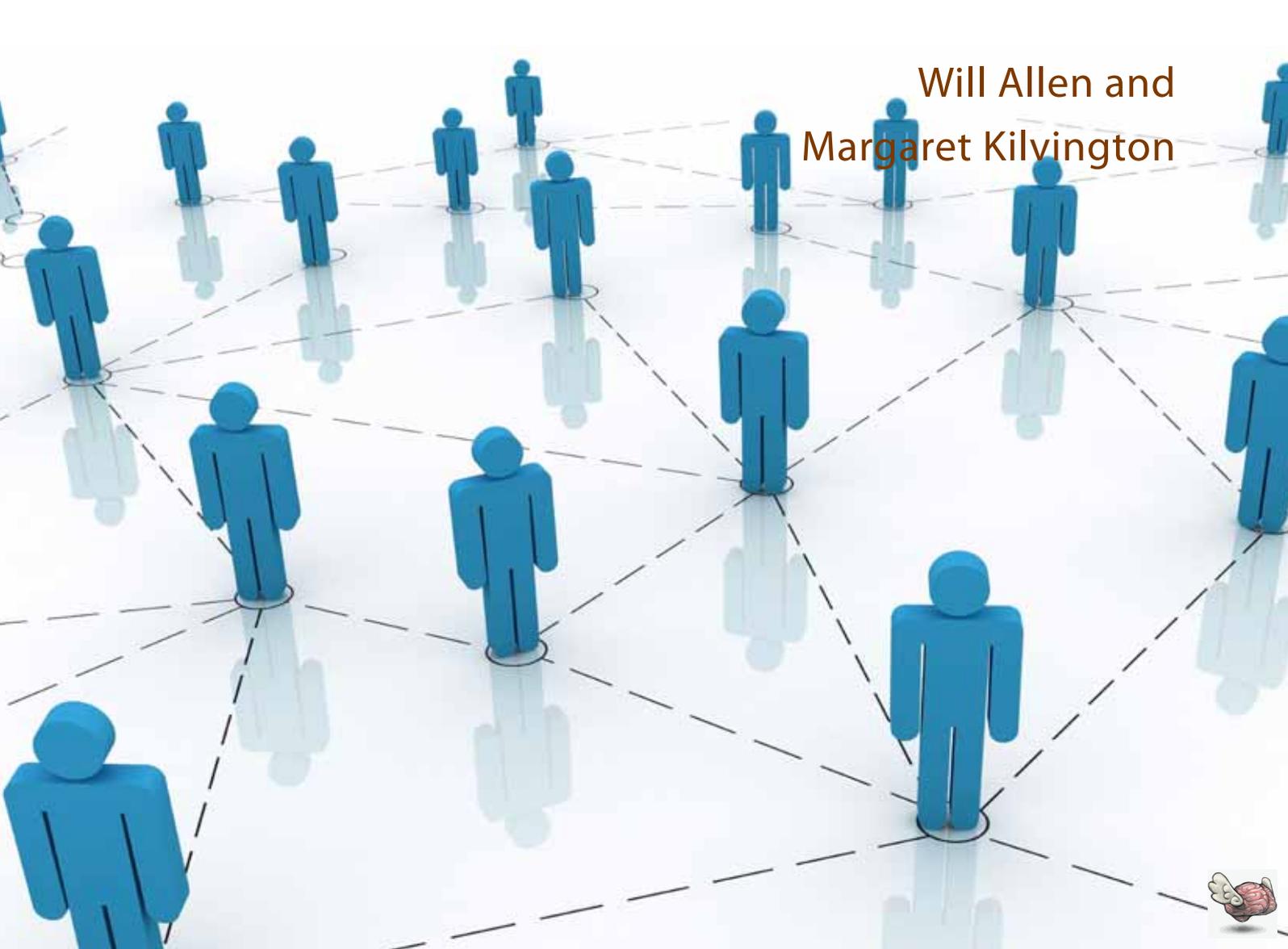




Stakeholder analysis

CHAPTER 25 : HATCHED

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Summary

- The increasing scope and ambition of many environmental and resource initiatives — e.g. integrated coastal and catchment management – requires a commitment from management agencies to collaborate with a diverse range of stakeholders. These stakeholders will have different interests and varying expectations from any collaborative initiative.
- Stakeholder analysis is a way to identify a project's key stakeholders, assess their interests and needs, and clarify how these may affect the project's viability. From this analysis, programme managers can make plans for how these aspects will be addressed.
- Stakeholder analysis also contributes to project design by identifying the goals and roles of different stakeholder groups, and by helping to formulate appropriate forms of engagement with these groups.
- While stakeholder analysis is essential at the beginning of any multi-stakeholder initiative, it can also be used for ongoing assessment of the effectiveness of key relationships and communication strategies.
- It is therefore a simple but critical tool in managing the relationships within a long-term resource management programme.

This chapter outlines a stakeholder analysis tool to support resource management projects. The stakeholder analysis tool helps resource managers identify key stakeholders, determine their interests and establish strategies for their involvement within a project.

INTRODUCTION

Stakeholders are persons, groups or institutions with interests in a policy, programme or project. Their involvement may be critical in fully understanding the problem and implementing solutions, they may represent a possible barrier or threat, or they may simply have a democratic right to be involved because project decisions will affect them.

Stakeholders can be divided into two groups:

- Primary stakeholders who are the immediate communities of interest, for example the landowners in a water catchment.
- Secondary stakeholders (intermediaries) who are the intermediaries in the process, and may include the local authorities and other institutional bodies. Often these groups do not think of themselves as stakeholders because they feel they are in control of the problem-solving process.

A rule of thumb for ensuring that key stakeholders have been included in the process is to question whose support or lack of it might significantly influence the success of the project. This is a particularly good test for expert and activist groups, both of whom commonly claim to speak for a wider representation than may be the case, and whose capacity to articulate their concerns might easily cause other groups to be overlooked.

Stakeholder analysis looks at both the stakeholders and the relationship between them and the project. Different types of relationship need different kinds of processes; some need more input to maintain them. For example a stakeholder that most projects will have is the group (or groups) responsible for funding the work. The funding stakeholder/s may have well-articulated ways of relating to the project (e.g. through reporting procedures, or financial statements) but also may require ongoing feedback on the progress that is being made in order to ensure their continued confidence, particularly if the project is long term and aimed at broad outcomes. Stakeholders similarly can be quite specific, such as individuals or geographically identifiable groups of people (e.g. local

landowners in a catchment). Others are more 'amorphous' (e.g. 'the community') and we have to think more laterally about how we are going to establish and maintain a relationship with them. Still others may seem easy to identify in the first instance, such as the tangata whenua of an area, but may present new challenges when thinking through how to develop a relationship between them and the project. Managing all these relationships take time and skills and project managers need to determine whether the project has the capacity to build the relationships required to carry out the work, and if not how they will be built.

WHY A STAKEHOLDER ANALYSIS?

A stakeholder analysis is just one (albeit usually the first) step in building the relationships needed for the success of a participatory project or policy. The analysis provides a starting point, by establishing which individuals and groups to work with and setting out an approach so this can be achieved. In this way a stakeholder analysis also helps project-initiators to assess the social environment in which they will operate. In particular a stakeholder analysis can be used to:

- Identify and define the characteristics of key stakeholders
- Draw out the interests of stakeholders in relation to the purpose of the project or the problems that the project is seeking to address (at the project identification stage)
- Identify conflicts of interests between stakeholders, to help manage such relationships during the course of the project
- Help identify relationships between stakeholders that may enable 'coalitions' of project sponsorship, ownership and cooperation
- Assess the capacity of different stakeholders and stakeholder groups to participate
- Help assess the appropriate type of participation by different stakeholders, at successive stages of the project cycle, e.g. inform, consult, partnership – all of these have different possible models of communication.

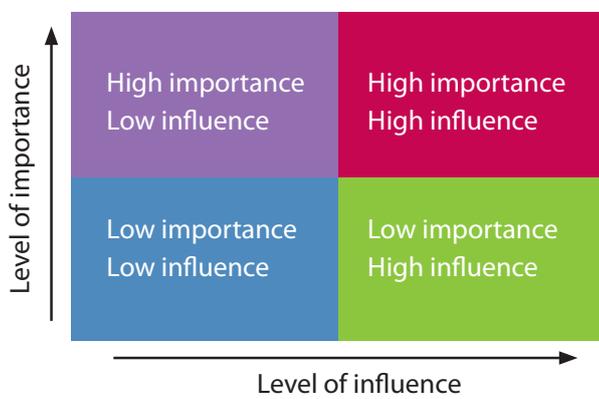


Figure 1 A stakeholder mapping matrix.

- What benefits or risks are there likely to be for stakeholders?
- What resources are the stakeholders likely to commit to the project?
- What other interests does the stakeholder have that may conflict with the project?
- How does the stakeholder regard others on the list?

CONDUCTING A STAKEHOLDER ANALYSIS

Before conducting a stakeholder analysis, the project objectives need to be clearly identified. With this done, more clarity can be developed around who the key stakeholders are, and how they can best be involved. This can be seen as a three-step process.

Step One: Identifying major stakeholder groups

Identify and list stakeholders. Often it is better to do this with the help of a small group of people. Stakeholders can be individuals, groups, communities, organisations, etc. Breaking stakeholder groups into smaller units (e.g. men and women, ethnic groups, locality, organisational departments) will often assist in identifying important sub-groups who may otherwise be overlooked.

Stakeholder analysis is aimed at enhancing stakeholder involvement in participatory processes prior to their actual involvement in decision-making activities. Thus stakeholders do not usually participate in this process. However, since stakeholder identification has consequences, analyses are likely to be bounded by the interests, current knowledge and agenda of the agency directing the exercise. It is important, therefore, to allow for the inclusion of more stakeholders later in the process as their interest comes to light.

Step Two: Determining interests, importance and influence

Draw out key interests for each stakeholder group on the initial list. Questions that can help uncover these include:

- What is the stakeholder likely to expect from the project?

Next, assess the influence and importance of each stakeholder in the project. 'Influence' refers to the extent to which that a stakeholder can impact the success of the project positively or negatively; 'importance' refers to those stakeholders whose problems, needs and interests most closely coincide with the aims of the project. If the 'influential/important' stakeholders are not involved or assisted, then the project cannot be called a success.

This assessment can often best be done by getting together 4–5 people, each with a unique viewpoint on the project or issue. Stakeholders can include organisations, departments, agencies, NGOs, networks or individuals. The list does need to be comprehensive enough to ensure that groups are not being left out. Diagrams such as shown in Figure. 1 can be used as a prompt, or mapping tool, to categorise stakeholders.

Step Three: Establishing strategies for involvement

Plan some strategies for approaching and involving each person or group. How to do this will usually depend on the results of the previous analysis. Where the stakeholder is a group rather than an individual, you may need to decide whether all in the group participate or only representatives of the group. Initially, it may be that not all stakeholders will be enthusiastic to take part, but stakeholder involvement is a continuous process and stakeholders may increase or decrease their level of involvement as the project continues. Preparing for this will be part of the ongoing engagement strategy for the project. Some form of stakeholder assessment will need to be repeated at various times throughout the project, particularly when new and substantive interests emerge. Thus, partnerships should be flexible and designed to grow.

LESSONS IN STAKEHOLDER COLLABORATION

The strength of collaborative processes lies in the creative approach that multiple stakeholders can bring to problem solving. Face-to-face negotiations allow the different parties to more fully explore the issues and collectively come up with solutions that work. By being involved in the development of a solution, stakeholders are more likely to champion the management solutions and actively take part in them. This is critical for issues such as land management where support and action from many parties – and often a whole community – is required.

Over time, resource managers have learnt a number of lessons about involving stakeholders:

- Constructive discussion and planning takes time, so there is a need to build enough time into the process for people to learn about each other, overcome their differences, and begin to 'speak the same language'. Then, more time is

needed to resolve problems and disagreements. Conflict can be constructive, where there is a well-facilitated process to ensure all views are heard, and to turn the diversity of ideas and the energy to 'make a difference' to good effect.

- Key points when discussing a problem situation are that ecological objectives should not be considered in isolation from community social and economic needs, and that these social and economic needs will not be identified without local involvement. Similarly, there is a need to take note of all the issues raised in these discussions, no matter how simplistic or controversial they may at first appear.
- Monitoring and evaluating the nature of the collaboration is as important as measuring specific policy or project outcomes.

There is a growing body of research and quality standards on stakeholder assessment and management. Stakeholder management and the collaborative problem solving approaches that it facilitates are increasingly recognised as primary building blocks for sustainable development.

WANT TO FIND OUT MORE?

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KEY PUBLICATIONS AND WEBSITES

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