



'CEPRODIH's local stakeholders gather in Montevideo, Uruguay.

HANDBOOK 1

MODULE 4

Tools for Effective Project Planning in Community Development



Download Resources

As you complete this module, refer to '**Resource 9 - PESTLE Analysis**', '**Resource 10 - Categorising Stakeholders Framework**', '**Resource 11 - Importance and Influence Analysis**' and '**Resource 12 - Stakeholder Analysis Framework**' that can be found as downloads alongside this module on our website. Use these resources as templates when planning your own project.

Stakeholder Analysis

An essential tool for effective project planning is the Stakeholder Analysis. It is a tool used by organisations to identify the people related to their project and to help develop strategies to engage these people in the right way. In most contexts community development projects will have a wide-variety of actors.

As such, specifically identifying these stakeholders is essential to clarifying their role and relationship, as well as determining the variety of interests to which you will be accountable when developing or implementing your project.¹

¹Kammi Schmeer. "Stakeholder Analysis Guidelines." WHO

What is a stakeholder?

A stakeholder is anyone who has something to gain or lose from your project. They can generally be placed into three broad categories:

Key Stakeholder:

People, groups or institutions who can significantly influence or are particularly important to the success of your project.

Primary Stakeholder:

People or groups who are directly impacted by your project. These can be both;

- Beneficiaries – Positively impacted
- Dis-Beneficiaries – Negatively impacted

Secondary Stakeholders:

All other people or groups who have a stake or interest in the proposed project or are indirectly impacted by the project.

Stakeholders can be both internal or external to the project itself:

Internal –

People and groups who directly impacted or are part of the implementing team or participatory design process

External –

People and groups who are not directly involved in project design, however have influence over its success or are impacted indirectly (government, other NGOs)



Helpful Hint

Stakeholders in all categories can be both positively and negatively impacted – it's important to identify your likely critics so you can find strategies to help get them on-board.

A Stakeholder Analysis will help with:

- Identifying the stakeholders for a program or project, including both potential critics and supporters;
- Identifying possible obstacles to project implementation;
- Grouping stakeholders by their level of influence, what is important to them, and/or what they could contribute to the process;
- Understanding how you can engage stakeholders to foster local ownership and create a sustainable development project.

Who should be involved when undertaking a Stakeholder Analysis?

Whilst the initial brainstorming-process might take place amongst your team, a Stakeholder Analysis is predominantly a participatory process that is best achieved by directly consulting with actual stakeholders. A great way to start your participatory approach is by holding focus groups or workshops with obvious primary stakeholders. These sessions are important because they will lead to the organic growth of your stakeholder list; with local beneficiaries identifying stakeholders that might not have been initially obvious to your team. Being open to inputs from beneficiaries and the broader community gives you the best chance of identifying all relevant stakeholders and accounting for any previously unforeseen connections, challenges and opportunities.

Completing a Stakeholder Analysis in 4 Easy Steps

STEP 1

BRAINSTORMING FOR
STAKEHOLDER GROUPS
AMONGST YOUR TEAM

STEP 2

IDENTIFYING CATEGORIES
OF STAKEHOLDERS AND
UNDERSTANDING WHY THEY
ARE IMPORTANT

STEP 3

PRIORITISING YOUR
STAKEHOLDERS

STEP 4

UNDERSTANDING YOUR
KEY STAKEHOLDERS

STEP 1
BRAINSTORMING FOR
STAKEHOLDER GROUPS
AMONGST YOUR TEAM

The first step is to identify the obvious primary stakeholders amongst your project team. Once you have identified obvious stakeholders, it's time to get out into the community and consult directly with as many stakeholders as possible as outlined above.

- The best techniques for gathering information are workshops, focus group discussions and 1-on-1 interviews.
- Whilst the practicality of visiting all stakeholders may pose significant challenges, failing to consult key parties may skew the analysis and risk the efficacy of your project.
- Other ways you can contact stakeholders include e-mail, Skype, phone call or social media.

A useful tool to help the brainstorming process to identify stakeholders is the PESTLE model. This can assist you in working through possible categories where stakeholders relevant to your project may exist.



Download Resource

You can find a template for this tool in; **'Resource 9 - PESTLE Analysis'** which can be found as a download alongside this module on our website. Use this resource as a guide when you are planning your own community development project.

Political Example:

- Relevant government departments who may be able to provide funding
- Relevant lobby groups who might advocate for or against your project such as a religious group lobbying against a planned parenthood project

Economic Example:

- Funding agencies or donors who might support your work
- Local businesses that might receive more (or less) business due to your project such as existing money lenders who might be negatively affected by a micro-financing program

Social/Culture Example:

- Specific cultural or ethnic groups that might be empowered or marginalised by your project
- Gender groups that might react differently to your project such as men looking unfavourably upon a project to promote women's economic independence

Technological Example:

- Companies whose equipment you may need to purchase
- Skilled tradesmen who may be needed to repair any broken equipment

Legal Example:

- Government departments who may be required to 'sign-off' on local projects

Environmental Example:

- There is a growing school of thought saying that the environment itself (and how it benefits or suffers from your project) should be considered a stakeholder
- It may not be relevant to all projects, however for a project promoting solar powered cooking, one could consider the local environment as a stakeholder, as timber will no longer be required to cook

STEP 2
IDENTIFYING CATEGORIES
OF STAKEHOLDERS AND
UNDERSTANDING WHY THEY
ARE IMPORTANT

Once you have your list of stakeholders, it's time to start placing them in the three main categories: Key, Primary or Secondary Stakeholder.

During this step, it is important to begin thinking about why and how each person or group is a stakeholder in your project. Next to each stakeholder, make a note of the specific interests they might have in the project and whether this is likely to be a positive or negative interest.



Example: Throughout this module, we will use the example of a money lending program couple with an infrastructure project to help rural farmers in Ethiopia improve their irrigation systems.

Stakeholders	Interest in project	Positive or negative interest?
Key Stakeholders:		
• Irrigation system suppliers	Increased sales as providers of irrigation technology	+ (selling more products)
• Local government officials	Opportunity for stronger local economy and increased job security for rural farmers	? (Likely positive, however dependent upon political agenda)
Primary Stakeholders:		
• Rural Farmers	Increased earning capacity	+
• Local labourers who construct systems	Increased earning capacity	+
• Local community	Increased supply of local fresh food	+
Secondary Stakeholders:		
• Market salesmen	Increased access to produce. May lower purchase price from farmer, improving profit margin	+ (however may be some negative impacts of increased competition)
• Food importers	Decreased sales due to increased local supply	-
• Other Money Lenders	Decreased trade	-
• Other NGOs supporting local community	Opportunity for collaboration to support local community, however may perceive project as competition	+/- (dependent upon relationship)
• Broader government	Opportunity for taxation upon imported agricultural technology. Unknown impacts upon existing national agricultural programs and food supply systems.	+/- (increased taxation, decreased reliance upon social welfare, however national government may dislike NGO empowering locals)
• Local Journalists	Reporters of current affairs in community	+/- (dependent upon their opinion of the project)

STEP 3
PRIORITISING YOUR
STAKEHOLDERS

Next you need to rate your stakeholders in relation to their importance and influence.

- **Importance** – the priority given to satisfying the needs and interests of each stakeholder.
- **Influence** – the degree of power which the stakeholder has over the planning and implementation of intervention/activity.



Helpful Hint

The opinions and influence of the most powerful and influential stakeholders can help shape your project. Including them early in your planning and design makes it more likely that they will support you and offer valuable input.

Often you will find that the most important stakeholders, may have very little influence on the project's success, and vice-versa. Whilst this can be frustrating when trying to stay accountable to different stakeholders, a detailed understanding of these power-dynamics will help you focus attention where it is needed most.

Example: An Importance and Influence Analysis of stakeholders relevant to the Ethiopian irrigation program.

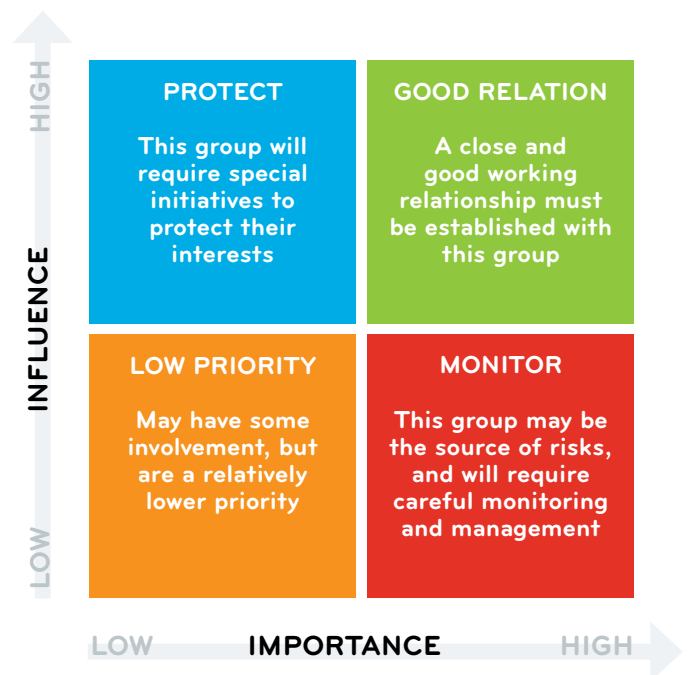
Stakeholder	Importance (1-5)	Justification	Influence (1-5)	Justification
Irrigation system suppliers	3	Secondary importance - we hope to foster the development sustainable technologies	5	Set price and availability of essential equipment
Local Government Officials	2	We hope to strengthen local governance, however they are not focus of project	5	Without sign-off on water access, project cannot proceed
Rural Farmers	5	Primary beneficiary for all activities	3	May lobby together for changes
Local Labourers	4	Important secondary beneficiaries of activities, boosting local economy	2	Unskilled labour could be found elsewhere
Local Community	4	Broader primary beneficiaries for all activities	2	Project targeted to farmers rather than community more broadly
Market Salesmen	3	Local middle-class. Not primary beneficiaries, however important to strengthen local economy	3	Could lower purchase price for farmers given increased supply
Food Importers	1	Not the focus of this project	2	Could potentially flood supply further and drive down local prices, but unlikely
Other money lenders	1	Not focus of this project.	4	Could cut off farmers from future borrowing, decreasing economic stability
Other NGOs	2	This project does not directly interact with other projects in the region.	2	Could offer support in increasing project uptake
Broader Government	2	Satisfying interests of broader government is not priority of project	3	Could jeopardise project if import permits for technology are withheld
Journalist	1	Satisfying the interests of local journalists is not of importance to project success	2	May promote project. May influence public opinion, thus influencing uptake

Visualising the Importance and Influence of your stakeholders:

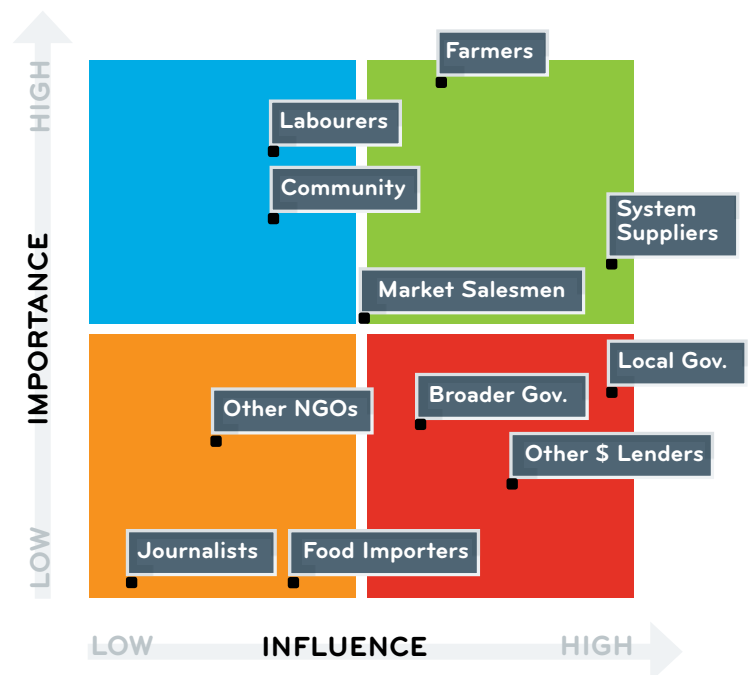
Once you have identified the importance and influence of different stakeholders, you can use an **Importance/Influence-Grid** to visually organise stakeholders according to their influence (power) and interest in your project. With this analysis you can gauge how influential the stakeholders will be on your project and then deduce the appropriate cooperation strategy.

The grid is broken up into four key areas with the stakeholders that fall in the top right corner being the most important to your project's success. It will be important to create strategies to ensure these stakeholders support your project. Sometimes this will be related to existing relationship your team may have with influential actors, otherwise it might mean identifying important connections that need to be made in order to facilitate your work.

Based on the positions of stakeholders within the matrix, you can later determine the approach and cooperation model for each stakeholder.



Example: A Stakeholder Importance/Influence Grid for our Ethiopian irrigation program.



Helpful Hint

Using an importance/influence grid is a great way to check whether you have correctly identified your 'Key stakeholders'. These will generally be in the top right corner of your graph in the 'Key players' segment. If you notice a stakeholder form another category that is high in this section of the graph it might be worth re-considering whether they should be considered a 'key stakeholder'.

STEP 4
UNDERSTAND YOUR
KEY STAKEHOLDERS

Once you have collected all the necessary information, you can put it together into a final Stakeholder Analysis that connects different stakeholders with your proposed project.

- Some of your stakeholders will be actors you have already established relationships with, whilst others will be groups or individuals you may need to reach out to.

This final step will allow you to identify potential risks. understand how you are going to approach your key stakeholders for support and decide which of your team members is responsible for looking after each stakeholder.



Example: A small section of the completed Stakeholder Analysis from our Ethiopian irrigation program. When completed, there should be one line of horizontal analysis for each stakeholder.

Stakeholder	Interest in Project	Likely impact upon success	What do they contribute?	Potential risks	Approach	Who is Responsible?
Local Government Officials	This project will provide a significant improvement in agricultural capacity and local economy. Officials may seek to align with our project for (free) political capital associated with success	High	Provide building permits essential for irrigation system construction, as well as permits for access to public water supply	If they perceive project as threat to see their political or economic position, they may create regulatory obstacles to prevent success.	Establish contact and build relationships with officials responsible for provision of permits	Our organisation's Project Manager
Local market salesmen	Likely benefit indirectly from project due to increased supply of local produce. This should result in increased business and opportunity for expansion, fostering local economy.	Medium	Market salesmen essential to maintaining a stable demand (at a fair price) for increased supply to ensure trickle-down economic benefit to farmers	Could potentially drive down purchase price from farmers due to increased supply, leaving farmers worse-off	Direct engagement with stall owners. Ensure they have capacity for increased supply.	Our organisation's local field staff
Local Journalists	Local journalists cover events impacting upon locals	Low	Could influence political stakeholders or foster positive public opinion	Could potentially politicise our project, dependant upon political affiliation of news outlet	Provide details through direct contact with editor of local paper	Our organisation's Communications Manager



Download Resource

You can find a template for this tool in; **'Resource 12 - Stakeholder Analysis'** which can be found as a download alongside this module on our website. Use this resource as a guide when planning your own community development project.

The wider the scope of your project, the more people may be affected. As a result, your actions could have wide-spread impacts, and a variety of actors may have power and influence on your project, as well as be affected by it. Those actors could be champions or impediments to your work. Identifying different groups and needs early on can help you prepare an effective approach and ensure that appropriate levels of engagement are factored into your planning and design.

Finishing up

Now that you have completed your Stakeholder Analysis, it's time to start designing your interventions. In the next module, **Module 5**, we will use a feasibility study to identify the best type of intervention for your project.

This resource was produced by Grassroots Collective.

This is Module 4 of our 9-part handbook for project planning. Find the full handbook at: www.thegrassrootscollective.org/grassroots-hub

Have a question about project planning for community development or want to learn about how we can support your organisation on its mission? Contact us at: info@thegrassrootscollective.org

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