

A Note on Stakeholder Analysis¹

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What is Stakeholder Analysis?

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

Who are Stakeholders?

Stakeholders are persons, groups or institutions that are interested in a project and/or may influence its outcome. Key stakeholders have significant influence or importance to the project.

Why do a Stakeholder Analysis?

Stakeholder analysis can:

- identify stakeholder interests in relation to problems that the project is seeking to address;
- identify conflicts of interest between stakeholders before funds are committed;
- help identify relations between stakeholders which can be built upon to enable "coalitions" of support;
- help assess appropriate types of participation by different stakeholders.

Assessing the Importance of Each Stakeholder to the Project

The project's success is particularly important for some stakeholders (e.g., the project's beneficiaries and the project's funders). This is most obvious when the stakeholder's interests converge with the project's objectives. Other stakeholders are of relatively low importance to the project.

Assessing the Influence of Each Stakeholder over the Project

Some stakeholders have more power over project decisions and can exercise control which influences the design, implementation and outcome of the project. Influence may be positive or negative.

¹ This note by Ann Qualman is based on a document prepared by the British Overseas Development Administration (ODA) Social Development Department called *Guidance Note on How to Do Stakeholder Analysis of Aid Projects and Programmes*, July 1995.

Categories of Stakeholders

Four categories of stakeholders can be identified, as shown in the following matrix:

STAKEHOLDER MATRIX²

<p>A - High Interest/Importance, High Influence</p> <p>These stakeholders are the basis for an effective coalition of support for the project.</p>	<p>B - High Interest/Importance, Low Influence</p> <p>These stakeholders will require special initiatives if their interests are to be protected.</p>
<p>C - Low Interest/Importance, High Influence</p> <p>These stakeholders can influence the outcomes of the project, but their priorities are not those of the project. They may be a risk or obstacle to the project.</p>	<p>D - Low Interest/Importance, Low Influence</p> <p>These stakeholders are of least importance to the project.</p>

² Framework modified by Ann Qualman, based on Overseas Development Administration, Social Development Department, *Guidance Note on How to Do Stakeholder Analysis of Aid Projects and Programmes*, July 1995, page 10.