Choosing Stakeholders for a Policy Consultative Process

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Introduction

The Sessional Paper No. 4 (GoK, 2004) on Energy recognizes the potential of biofuels in meeting energy policy objectives in Kenya. It is increasingly being recognised that liquid biofuels hold promise for commercial applications especially in transportation and industrial use and at household level. The Sessional Paper No. 4 is an energy framework policy, providing for the development of specific sectoral or sub-sectoral energy policies.

The PISCES is an Energy Research Programme developing new knowledge and policies to promote energy access and livelihoods through bioenergy. One of the PISCES working groups working on policy innovations will be deliberating on a research theme on policy development process by bringing together policy makers, stakeholders and experts to develop a combined methodology on participatory policy dialogue and apply the same in developing bioenergy policies in the country. The core policy working group is drawn form Practical Action Consulting and ACTS in Nairobi.

Dialogue is one of the most important foundations of policy making processes. Dialogue between multiple stakeholders provides a consultative element, considered to be critical in the policy making process in terms of ensuring representation of valid interest groups, consensus building amongst relevant stakeholders and ultimately in improving the quality and success of policies. Consequently, identification of key stakeholders to engage in policy dialogue becomes a central theme of any policy making process.

Approaches in stakeholder involvement

Stakeholders play an important role in the policy making process, by providing synergy in the generation of ideas and in articulating the stakes involved in given dialogue themes. Stakeholders provide the initial buy-in of the ideas being promulgated as an outcome of the dialogue and ownership of the resulting policies. Thus the identification of stakeholders is an important activity, identified by the PISCES policy working group as a major step in policy innovation.
The Policy Working Group deliberates on the various approaches to stakeholder identification employed in the country and the region generally. Among the most practiced are:

(i) A sectoral based approach, whereby various key sectors are invited to send their chief executive or representatives to articulate their position on policy issues.

(ii) Interest groups, often being individuals and/or groups associated with interests in given issues, brought together by virtue of being widely associated with the subject. This often brings on board enthusiasts who may not be stakeholders.

(iii) Another approach is open invitation, often made through public media or calls for expression of interest. The invited parties may assign themselves a ranking with regard to the agenda in question.

(iv) The last method is widely used by government circles, whereby one person invites a group of people to discuss an agenda, with or without rationale or justification for being invited. All these approaches have relative advantages and disadvantages. One of the advantages easily identified is the short time required from identification to bringing them together for discussions. As a result of many parties knowing one another within each of these approaches, there is no need to break interpersonal barriers. However, among the disadvantages are that the choice is often subjective, inherently biased and exclusive in nature, with unequal representation of the various interests and concerns.

It is important to note that participatory approach based policy making process provides the process with critical support needed for effective policy making. In order to get a wide range of relevant stakeholders optimally, an innovative mechanism for identification is necessary.

Rationale and justification

The PICES Policy Working Group recognizes the need for an innovative mechanism that will bring together as many interest groups and individuals as is practical in a transparent and unbiased selection, and will additionally provide a rationale and justification for the selection. Such a selection method would answer two key questions:

1) How can we rationalise and justify the selection of stakeholders and their stakeholding interests in a policy process?
2) What innovation can ensure and enhance the consultative process, and thereby provide quality assurance in the resultant output?

Market mapping, a new and highly innovative approach that is being used in value chain analysis for products and services, was recognized as capable of identifying stakeholding interests.

The Market Mapping Approach (Albu & Griffith, 2005) was developed as a tool for identifying the linkages and process issues, such as bottlenecks in markets of products or services. The approach holds promise in simplified and rationalised stakeholder identification and analysis of the specific importance they hold in the process. The concept is based on identifying the key players associated with the linkages of a market mapping exercise. These linkages are in three distinct levels, providing a variety of stakeholders in the process.

The first layer is the market chain or value chain actors, who are basically economic actors, and are the primary or key players who own the product or a set of products and services, along a value chain from primary production to end products (in this case the biofuel). The relative importance of the stake can be identified by the relative importance assigned by the market, and indicated in the market map by an arrow showing the direction of the flow of the service or value. Assigning of the relative weight to the arrows can give an indicator of the relative importance of the stakeholder.

The second layer of stakeholders are the players involved in regulating or enabling the market environment, and who in the process shape the rules of the game for the market chain actors. In the case of biofuels, these are the players...
who influence, directly or indirectly, the primary production of biofuels and the conversion of plant oils into biofuel appropriate to an end use application. The relative importance of each of these stakeholders can be identified by the linkages with the value chain actors. This level includes policy makers, legislative bodies, environmental organs and bodies, financing players, and a host of regulators and standards bodies. This second level of stakeholders is often a key policy making or influencing group, and their identification is crucial in the policy process.

The third level of stakeholders is obtained from a host of players providing supporting services to the chain value actors and needed to make the value chain operate. These services can include extension services, transportation of goods, design services, production equipment providers, retailers and information providers, among others. These stakeholders often influence the market forces, so bringing them on board in a policy dialogue is important.

The potential of the market mapping approach in a policy dialogue was recognized and used in identifying stakeholders for the first policy dialogue workshop in Kenya. This initial group of stakeholders forms the main policy dialogue group in the country who will set the thematic agenda of the policies for biofuels. Using liquid biofuel as the value product, market mapping of the key players was carried out by the Policy Working Group and stakeholders were identified. The rationale was that a main policy group should include all the providers of an enabling environment necessary for shaping the market; together with those actors in support services and value chain participants who play an important role in a policy dialogue by setting the agenda and raising issues. Each group articulates its interest and stakes in the process. The table below provides a list of the actors invited for the workshop.

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<tr>
<th>GROUP</th>
<th>ATTRIBUTE</th>
<th>SPECIFIC NAME</th>
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| 1     | Primary fuel producers | Large scale  
        Small scale  
        Cooperatives | Two (2) Large scale interested commercial farmers  
        Two (2) Small scale interested farmers  
        Two (2) cooperatives at the coast and one at highlands |
| 2     | Distribution and cooperatives infrastructure | Kenya federation of agricultural producers  
        Kenya Small scale farmers association |
| 3     | Quality control mechanisms | Kenya Plant Health Inspectorate (KEPHIS) |
| 4     | Trade policies | Ministry of Trade and Industry  
        Export Promotion Centre |
| 5     | Taxation policies | Ministry of Finance  
        Kenya Revenue Authority |
| 6     | Standards and codes of practice | Kenya Bureau of Standards  
        Kenya Agricultural Research Institute |
| 7     | Environmental policies | National Environmental Management Authority  
        Ministry of Environmental and Natural Resources |
| 8     | Science and technology policies | Council of Science and Technology |
| 9     | Energy policy | Ministry of Energy  
        Petroleum Institute of East Africa |
| 10    | Research, development and training | Kenya Institute of Public Policy Research and Analysis (KIPPRA)  
        Kenya Industrial Research and Development (KIRDI)  
        Kenya Agricultural Research Institute (KARI) and Kenya Forestry Research Institute (KEFRI) |
| 11    | Resource planning and use | Ministry of Agriculture  
        Ministry of Lands and Land Use  
        Ministry of Local Authorities  
        Provincial Administration |
| 12    | Regulatory and legislative | Energy Regulatory Commission  
        Central Agricultural Board  
        Parliamentary Energy Committee |
The market mapping approach provides a systematic method of identifying stakeholders, and carrying out an analysis of the critical role stakeholders play when dealing with biofuels products and services.

The rationale for using market mapping is the ease with which the linkages can be identified and established for the purpose of assigning the relative weights of the players.

The Policy Working Group would like to recommend adoption of the market mapping approach as a methodology for identifying stakeholders and players in a policy dialogue by the policy making processes and especially governments and other key policy making bodies.

Acknowledgement
Although this research is funded by DFID, the views expressed in this article/report are entirely those of the authors and do not necessarily represent DFID’s own policies or views. Any discussion of their content should therefore be addressed to the authors and not to DFID. We wish to thank Steven Hunt and Colin Pritchard for their useful comments.

Bibliography

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