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Choosing Stakeholders for a Policy Consultative Process

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PISCES

Policy Innovation Systems for Clean Energy Security (PISCES) is a five-year Research Programme Consortium funded by the UK's Department for International Development (DFID) to develop new knowledge for the sustainable use of bioenergy to improve energy access and livelihoods in poor communities. PISCES is led by the African Centre for Technology Studies (ACTS), Kenya with lead partners Practical Action, M.S. Swaminathan Research Foundation (MSSRF), the University of Dar es Salaam and the University of Edinburgh, together with a network of national and international partners and collaborators.

Policy Working Group (PWG)

The Policy Working Group (PWG) of PISCES is an expert working group whose objective is to develop a consultative and participatory policy methodology to discuss the policy issues and guide policy statements on bioenergy. The group, with focus on Kenya and Sri Lanka, aims to achieve this by bringing together policy makers, stakeholders and experts to develop a combined methodology on participatory policy dialogue and apply the same in developing bioenergy policy.

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 from 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 PISCES 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.

While mapping in its strictest sense remains a value chain analytical methodology, its inherent capacity of linking players with the value they provide can also be used for policy processes. However, it needs to be applied carefully, especially in the initial steps of identification. It is advised that it should not be a one stop affair, but at least two attempts should be made. This

would begin with a small group to identify a bigger group of stakeholders who also incorporate others they see as omitted but crucial to the process.

Using the Market Mapping Approach

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.

It should be noted that such a

GROUP	ATTRIBUTE	SPECIFIC NAME
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

GROUP	ATTRIBUTE	SPECIFIC NAME
Service providers and actors		
1	Transportation	Large hauliers
2	Shipping and clearing agencies	
3	Extension services of the Ministry of Agriculture	
4	Financing institutions	Banks like Co-operative Bank, National Industrial Credit Bank and Equity Bank
5	Manufacturers	Kenya Association of Manufacturers (KAM)
6	NGOs	Pelum Kenya Small Scale Farmers Programme Green Africa Foundation Vanilla Development Foundation Practical Action Aim 1
7	Biofuel related bodies	Kenya Sugar Board Kenya Forest Service
Individual Consultants		
1		KEFRI scientists ECO Build Africa (extracting coconut oil for biofuel)

process is a first attempt capturing stakeholders in all the main subsectors, but the list may not at this stage be inclusive of all players and actors. However, it served as a first pass, and additional stakeholders were identified at that meeting via other participants. During the workshop one stakeholder enquired of the organizers how participants were identified, since they had not previously been invited to such meetings, and indeed had complained to the parent ministry (at the time agriculture) for being sidelined.

Conclusions and Recommendations

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.

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