

# Implementation Tips for USAID Partners

Sharing Resources and Knowledge Among the Global CSO Community

Inclusive Development 16 | 2020

## Definitions

**Context Monitoring:** The systematic collection of information about conditions and external factors relevant to the implementation and performance of a strategy, projects, and activities. This includes monitoring local conditions that may directly affect implementation and performance or external factors that may indirectly affect implementation and performance.

Source: USAID ADS 201

**Pause and Reflect:** A component of learning and adaptive management—the act of taking time to think critically about ongoing activities and processes and plan for the best way forward.

Source: USAID ADS 201

**Political Economy Analysis:** A structured approach to examining power dynamics and economic and social forces that influence development.

Source: USAID *Thinking and Working Politically through Applied PEA*

**Scenario Planning:** Identifying existing and emerging trends that may affect programming, determining plausible outcomes or scenarios, and taking steps to monitor and mitigate risks.

*Continued on next page →*

## Understanding the Political Economy Analysis Approach

**Q** What is political economy analysis?

**A** Political economy analysis (PEA) is an approach to understanding why things work the way they do within a system. PEA identifies the incentives and constraints of different actors and how these influence their behavior. The purpose of PEA is to help development practitioners understand the political, economic, social, and cultural influences at play within a system to guide adaptive management of programming efforts. (See *Implementation Tip* on [Integrating Adaptive Management into Projects](#).) PEA is not intended to be a one-off activity; rather, PEA findings are meant to be continually updated as the context changes or in response to emergent needs and information.

PEA also aids in "thinking and working politically"<sup>1</sup> by providing insight into how change can occur and who needs to be engaged. There is increasing recognition that development work is inherently political and that the questions of who holds power, what their interests are, and how they are incentivized should influence how development solutions are designed and implemented.<sup>2</sup> Though the goals of a project may not be explicitly political, a politically-aware approach to development allows implementers to design interventions that are grounded in political and contextual realities. As described in USAID's [Thinking and Working Politically through Applied Political Economy Analysis: A Guide for Practitioners](#), politically-aware approaches to development can be contrasted with more traditional approaches in that they emphasize "best fit" over "best practice", use rapid cycles of learning and reflection to adjust programmatic approaches frequently, and focus more on relationship building and collaboration.<sup>3</sup>

1 This term was originally coined by the Thinking and Working Politically Community of Practice. For further information see the [TWP Community of Practice website](#).

2 DFID, [Political Economy Analysis How To Note](#)

3 USAID, [Thinking and Working Politically Through Applied Political Economy Analysis: A Guide for Practitioners](#)

## Definitions, continued

**Theory of Change:** A description of the conditions and actions that will allow a project to achieve a long-term goal. A theory of change should include: 1) the context in which the development problem is situated; 2) the project's long-term goal and the intermediate outcomes (or preconditions) that need to be met to reach that goal; 3) the assumptions aligned with each step of the pathway of change; 4) the interventions that will be implemented to achieve the stated outcomes; and 5) indicators to monitor progress throughout implementation.  
*Source: USAID How-To Note: Developing a Project Logic Model*

**Thinking and Working Politically:** An approach to working with development actors and the “operating environment” that encourages active engagement with context and design of programs aligned with a domestic support base in order to generate reform momentum, along with a willingness to work with partners to help navigate political obstacles.  
*Source: Thinking and Working Politically Community of Practice*

**Adaptive Management:** An intentional approach to making decisions and adjustments in response to new information and changes in context.  
*Source: USAID ADS 201*

## Components of PEA

PEA can contribute to development practitioners' understanding of a range of issues affecting the successful delivery of interventions. Activities include:

- Mapping state and non-state actors to understand who can effect change, how change happens, and where opportunities for partnership exist
- Identifying potential obstacles and constraints that key actors face and how proposed interventions can help mitigate these obstacles
- Exploring how external influences, such as natural disasters, trade concerns, and corruption, influence key actors' decision-making processes

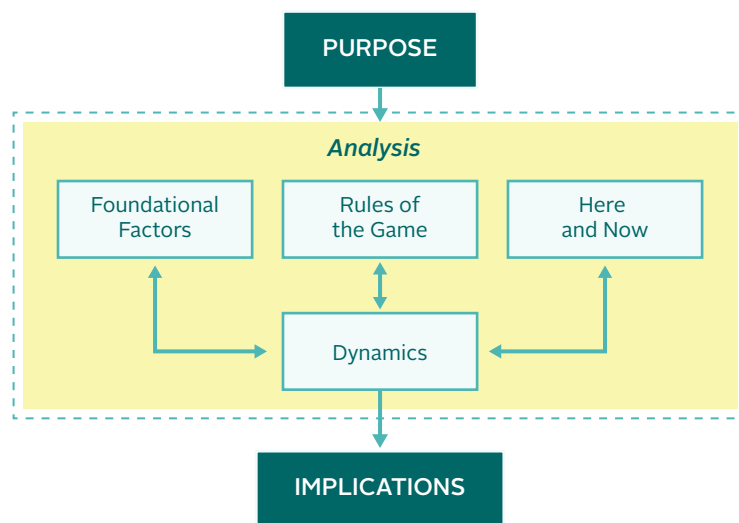
USAID developed an [Applied PEA Framework](#) to provide guidance on the kind of information that is gathered during a PEA.

- The purpose of a given PEA exercise identifies the main questions that the approach seeks to address.
- PEA questions guide exploration of the analytical factors that affect the political dynamics of programming. These include:
  - ▶ Foundational Factors: Deeply embedded aspects of an operating environment that shape the political and socio-economic system. These include history, geography, class or caste structures, and natural resource dynamics. Foundational factors are aspects of an operating environment that are unlikely to change during implementation.
  - ▶ Rules of the Game: Formal and informal rules and norms that influence the behavior of actors (both organizational and individual). These can include legal frameworks, cultural norms, social networks, and the ways in which organizations (e.g., civil society organizations, private sector) work.
  - ▶ Here and Now: Current events that can affect programming, such as leadership changes, crises, and natural disasters.
  - ▶ Dynamics: Analysis of how the previous three factors interact with each other and the extent to which these interactions present opportunities or constraints for programming.

### Figure 1: Example of PEA questions

- How do political economy dynamics affect service delivery?
- What contextual factors may pose a risk to our implementation approaches?
- Who are the potential champions and critics of our proposed approaches? What are their levels of influence?

Figure 2: USAID's Applied PEA Framework



- The *implications* for programming inform decisions about the specific interventions and implementation approaches selected and about how the analytical factors may affect programming.

When selecting team members for a PEA exercise, look for a mix of country, sector, and methodological expertise. Project implementers can be involved alongside independent consultants; this can yield a number of benefits. Being involved in the primary data collection gives implementers on-the-ground insights that can be rapidly applied to intervention strategies. Including local staff and/or consultants in the PEA process is also critical because they will likely be most adept at going beyond surface-level responses to understanding drivers of behavior.<sup>4</sup>

The PEA approach uses a variety of different methods, dependent on the PEA questions to be explored. Most frequently, methods will include: 1) a literature review to synthesize existing knowledge and identify gaps for further research; 2) key informant interviews to explore the PEA questions in greater depth and gather diverse perspectives; and 3) a workshop with key stakeholders to share the PEA findings, collectively interpret the data, and refine implications. (Several resources, including an illustrative interview guide, are available from [USAID's Learning Lab](#).)

<sup>4</sup> DFID, [Political Economy Analysis How To Note](#)

## Resources

- [USAID Adaptive Management Discussion Note](#)
- [USAID Thinking and Working Politically through Applied Political Economy Analysis](#)
- [USAID Applied PEA Framework](#)
- [Applied PEA Sample Interview Questions and Data Collection Template](#)
- [Applied PEA Baseline Assessment Process](#)
- [Beyond a Buzzword: What Thinking and Working Politically Looks Like in Practice](#)
- [DFID Political Economy Analysis How-to Note](#)
- [DFAT Political Economy Analysis Guidance Note](#)
- [Making Political Analysis Useful: Adjusting and Scaling \(Effective States and Inclusive Development\)](#)
- [Thinking and Working Politically Community of Practice](#)

## Embedding PEA in projects

A formal PEA exercise can be helpful early in a project. The analysis and insights gained can inform many aspects of implementation, including selection of target areas or beneficiaries, stakeholder engagement strategies, identification of opportunities and risks, and adjustments to the theory of change (see Definitions). To take full advantage of the methodology, however, project implementers should continually revisit the PEA dynamics throughout the project to test implementation approaches, learn from them, and refresh their understanding of the political economy dynamics. PEA findings reflect a specific moment in time; the process is therefore useful as both a “starting point” and as a reference for gathering additional information as the operating environment changes. Implementers can do this in a number of ways:

- Conduct regularly-scheduled PEA updates: This would involve repeating the PEA process at regular intervals (e.g., annually or every two years) to gauge changes in the political environment and update project understanding of the PEA dynamics.
- Include questions that prompt “thinking and working politically” in project updates, pause and reflect opportunities, and reviews: This approach allows project managers to use regularly scheduled meetings to include PEA dynamics in ongoing decision-making processes. Questions might include the following:
  - ▶ Who are the main players?
  - ▶ How would they respond to what we are proposing?
  - ▶ What are their incentives? Can these be influenced?
  - ▶ Does anyone oppose what we’re proposing? How can we work with them?
  - ▶ Where can we have influence?
- Collect data related to PEA dynamics through the MEL system: Context monitoring can provide valuable information on changes in the operating environment. Monitoring and evaluating unintended consequences can alert project implementers to emerging opportunities and risks.

## Putting PEA results into action

The findings, implications, and conclusions resulting from a PEA exercise and associated activities should be translated into actions that make programming more effective. By the end of a PEA exercise, implementers should also have an idea who the main players are—a next step would be to identify which ones to engage with and the entry points for engagement. Additional next steps include:

### For More Information

For this or other issues of *Implementation Tips*, please visit [NGOConnect.net](https://ngoconnect.net).

The Web site is a dynamic and interactive portal dedicated to connecting and strengthening CSOs, networks, and CSO support organizations worldwide.

Funding for this publication was provided by the U.S. Agency for International Development, under the Strengthening Civil Society Globally (SCS Global) Leader Award. Its contents, managed by SCS Global, do not necessarily reflect the views of USAID or the U.S. Government.

© 2020 by FHI 360. This publication may be photocopied or adapted for noncommercial use only, without prior permission, provided credit is given to FHI 360, Social Impact, SCS Global, and USAID.

**SCS Global thanks Consortium Partner Social Impact for drafting the content for this *Implementation Tip*.**

PEA Dynamics Explored	Adaptive Actions
1 Mapping the main players and their interests	→ Identify with whom to engage and how
2 Identifying potential “trigger” events that could affect programming	→ Develop response scenarios for “trigger” events (scenario planning)
3 Greater understanding of cultural norms and how they affect decision making or service delivery	→ Design interventions that either work effectively within cultural norms to advance long-term goals or seek to change cultural norms
4 Deeper awareness of contextual factors and their influence on political economy	→ Integrate contextual understanding into problem analysis to describe constraints and opportunities

