



A SUMMARY OF LESSONS LEARNED USING USAID'S APPLIED POLITICAL ECONOMY ANALYSIS FRAMEWORK

Political Economy Analysis (PEA) is a field-based methodology that can improve the effectiveness of international development assistance by helping development practitioners to focus on not only how things happen but why things happen. Exploring the politics, history, social, and economic dimensions of a given development problem can help unpack the dynamics and incentives that structure actors choices and ultimately determine development success or failure. In many ways PEA tries to determine the who, what, and why that keeps and sustains the status quo and what realistic opportunities are there to change incentives and to effect change.

The United States Agency for International Development (USAID) has developed a framework for conducting PEA field assessments.¹ USAID has applied the framework in different regions and sectors, including health in Eastern Europe and Southeast Asia, governance in Latin America and Africa, and biodiversity conservation in Africa. Recent case studies conducted by USAID in Africa helped assess programming options for biodiversity conservation in the context of extractive activities, the findings of which can be found in a separate report.² At the same time, these recent experiences conducting PEAs also provided practical observations on the process of conducting these assessments in general.

The USAID Applied Political Economy Analysis Framework,³ which is agnostic to the subject matter and country context, can be used for assessments at the country, sector, or problem level.⁴ PEA requires researchers to analyze the politics and power, not simply to understand the relationships but to expose how and why these specifically hinder development goals – and ultimately to identify how actors' interests and change processes could be supported.

PEA can augment sector-specific analysis with its specific field methodology, which leads development practitioners to delve into a deeper set of political, economic, social or cultural incentives. Additionally,

¹ USAID. Applied Political Economy Analysis (PEA) Field Guide, 4 February 2016. See <https://www.usaidlearninglab.org/library/applied-political-economy-analysis-field-guide> [Accessed: 15 September 2016]

² USAID, (2016). *Political Economy Analysis for Biodiversity Conservation Planning in the Context of Extractive Industries*, A report prepared under contract for USAID by Integra LLC.

³ USAID Applied PEA Field Guide, op cit.

⁴ USAID's initial PEAs have largely been at the problem level.

PEA offers development practitioners a way to “think and work politically,” by providing a framework for systematically tracking dynamics that impact the development challenges under consideration, and building in opportunities to reflect on how we, as development practitioners, can support them. Integrating PEA thinking and observations can support cross-sectoral programming by providing more information on how particular political, cultural or governance factors cut across sectors and levels influencing multiple technical areas. There are also different levels of preparation and commitment to a PEA. The analysis of the general problem is intended to be an ongoing process with findings reviewed and updated as the political economy evolves.

LESSONS LEARNED FROM CONDUCTING APPLIED PEA RESEARCH

MAXIMIZING MISSION ENGAGEMENT AND OWNERSHIP

- Missions need to drive the PEA process throughout the entire process to help ensure that the results are useful. This requires clear expectations of the substantial commitment required and an understanding of what support the Mission will need.
- Conducting trainings in applied PEA can help Missions understand how and when to best utilize this particular analysis.
- Continuity in Mission engagement is critical for the applied PEA to meet expectations.

PEA IS A PROCESS-ORIENTED APPROACH THAT ENTAILS ONGOING ANALYSIS AND UPDATING TO CONTINUE TO INFORM DECISION-MAKING. SIGNIFICANT MISSION INVOLVEMENT AND OWNERSHIP ARE NECESSARY TO ENSURE THAT PEA IS NOT LIMITED SOLELY TO A ONE-OFF FIELD ASSESSMENT, BUT THE FINDINGS ARE REVIEWED AND UPDATED AS THE POLITICAL ECONOMY EVOLVES.

INITIATING PEA RESEARCH

- USAID Applied Political Economy Analysis field assessments require a long lead-time for preparation. Four to six months is an appropriate minimum time to expect to spend in identifying the research topic, completing the desk study, scoping the question, and planning for field level implementation.
- Priming from USAID personnel with PEA experience secures better Mission engagement in the PEA and more confidence that the process would yield useful results.
- Applied PEA research should be a flexible process that helps USAID to “think and work politically.”

DEFINING THE SCOPE

- Scoping the PEA research question is a critical part of setting up a PEA research design that will be productive and relevant for programming.
- Planning the applied PEA as part of a larger process, whether Mission-wide or within a sector or program, helps sharpen the analysis and clarify demand for the PEA results.

- PEAs that feed back into any ongoing analytical process are likely to yield more useful results. Biodiversity PEAs that begin with a situation model to define areas where research is needed are often better able to scope research that informs the model.

PREPARING FOR FIELDWORK

- A checklist or scope of work can help outline the various steps to prepare for fieldwork and set clear expectations.
- Identify and make arrangements that require advance planning.
- USAID’s PEA training for team members is very highly recommended.
- Strong PEA team leadership is helpful for protect the space for scoping, preparation, and synthesis of the PEA findings and pushing back on competing demands.
- Team members should commit to involvement in the full research process, from scoping the question to presenting the results, and should minimize disruptions.
- Team composition is a methodological aspect of PEA research.
- Local experts/research assistants added to teams must be carefully selected.
- Having good logisticians with local connections and adaptability to set up interviews with interviewees identified during the research is critical to the PEA inquiry process.

CONDUCTING THE FIELDWORK

- When the team assembles in country, the first several days should be spent as a team solidifying the objective, research methodology, and team dynamics.
- Tailor the approach to each interview.
- PEA research requires flexibility and adaptability during the interview process. Teams need to coordinate and communicate before, during and after interviews.
- Effectively plan interviews to “do no harm” and maximize their effectiveness.
- At some point in the research it is important to take a step back and assess whether the interviews are producing the details needed to answer the research question.

ANALYZING AND SYNTHESIZING FINDINGS

- Teams should discuss any coding frameworks that might be helpful and select one to use for the PEA research to help with synthesis.
- PEA analysis and synthesis requires two to three full days even when notes have been well coded.

KEY RECOMMENDATIONS

The PEA process can give Missions an opportunity to reflect and gain new perspectives on existing programming, or to plan for new programming, placing the PEA within a larger analytical process. The following steps can help maximize opportunities for uptake and integration of PEA into USAID’s work.

- I. **Create PEA Trainings Part I and II.** Currently, the high demand for the PEA course limits the numbers of staff able to participate in PEA training. Moreover, participants have suggested that the current PEA training spends too much time on the background of PEA and why it is useful and not enough time on training participants in skills needed to apply the methodology. It

could be useful to make a distinction between an introductory PEA course, providing the background on PEA, and a second PEA course that goes into the methodological details and application of the framework. Creating an online, interactive course for teaching an Introduction to USAID's Applied PEA Framework could complement or replace an in-person introductory course and help disseminate the awareness of the applied PEA research process more rapidly and expose more of USAID's staff to the method. An online course would also make the introductory training more accessible across USAID from Foreign Service Nationals to Mission management. This introductory course could be pre-requisite for the Part II Methods course.

2. **PEA Training Part II: Methods.** A second, in-person PEA training course could focus on methods including: defining and scoping research questions; interviewing, note-taking, coding and synthesis techniques; team composition considerations; social science research basics; and understanding the range of outputs for PEA findings, including but not limited to short reports, situation models, system maps, and PowerPoint presentations. The PEA training might develop some insights or options for synthesis techniques, including useful formats, and let team members determine what format will work best for them.
3. **Communications and Messaging.** Since PEA is applicable across sectors and often produce cross-cutting findings, USAID should actively pursue venues to communicate the findings of different PEAs across bureaus/divisions. In addition, information sheets could highlight how applied PEA research can help analyze and identify solutions for particular challenges in a given sector. Blurbs could be circulated through appropriate and relevant USAID-specific knowledge management systems.
4. **PEA Methodological Notes Series.** A regular series of PEA methodological notes might show how a good research question can lead to interesting insights. Likewise disseminating brief summaries of PEA research on USAID websites as a flash "PEA thought of the day" might help reach a broader audience across the Agency. USAID's recent report synthesizing the technical findings of using PEA for biodiversity in the context of extractive industries is one that should be promoted for biodiversity, governance and economic growth practitioners, as well as more broadly.
5. **Checklists, Coding and Synthesis Frameworks and other tools.** USAID PEA specialists could develop some tools to help Missions prepare for applied PEA research and help USAID/Washington staff identify where additional support may be needed to facilitate an effective applied PEA research process. First, PEA Checklists and/or template scope of work could include time commitments and logistical needs as well as where the applied PEA research will fit into existing analytical processes and what kind of outputs will be produced, i.e., adjustments to a situation model, theory of change, Project Appraisal Document, Country Development Cooperation Strategy, etc. Second, PEA experts should work to develop coding and synthesis frameworks that can help PEA teams feed research results into useful formats for synthesis of results and for monitoring and follow-up work.

CONCLUSION

Applied PEA research enables the integration of diverse views of different stakeholders at multiple levels coupled with different forms of knowledge needed to understand how to tackle development problems. PEA requires researchers to understand the broader systems and relationships between powerful actors and development outcomes (e.g., conservation goals) and to expose how and why these actors and systems specifically hinder development goals in order to identify what change processes could be supported by targeted programming. Lessons for the use of USAID'S Applied PEA Framework to biodiversity in the context of extractives highlight the importance of multidisciplinary approaches that include programming that extends beyond traditional environmental approaches.

Missions that can insert applied PEA research into other planning or analytical processes will realize better, more focused results. High quality applied PEA research can be paired to other types of analysis such as conflict, environment, gender, economic growth, and democracy, human rights and governance assessments. Whether PEA is conducted by employing outside consultants, or undertaken solely with USAID personnel, and whether the research is developed with a detailed desk review or as more extensive field-based research, it is important to ensure that the analysis is not a one-off exercise. The PEA should inform decision-making across the Mission's portfolio, and should be frequently reviewed and updated.

Lessons learned in conducting PEA must acknowledge that while PEA can be a useful assessment tool, ideally it should be integrated into the workflow. To make PEA part of the broader program planning and implementation processes means focusing on issues of local importance as perceived by local actors and searching for local capacity. It also means shifting the power balance in the relationship between donors and partners, recognizing the need to influence but not push reforms. For this to happen, more time and effort needs to be invested in building relationships with a broad range of stakeholders. This is crucial to understanding their interests and incentives and spotting opportunities to build on common interests and for creating trust. Practitioners can build relationships directly and indirectly by facilitating the creation of coalitions of different interest groups.

Using applied PEA research to become more politically informed implies changing the way things are done in small ways. In the Country Development Cooperation Strategy process, it might mean looking deeply at findings revealed by political economy analysis--an unstable political settlement, dependence on extractives as a source of formal or illegal revenue, or historical grievances—and acknowledging that while there may be little that USAID can do directly to address the findings, these issues will shape the political context within which USAID must work. This political context may harbor systemic constraints that affect the ability of tackling a host of secondary issues and problems.

APPLIED PEA RESEARCH MAKES CONNECTIONS BETWEEN NATIONAL LEVEL POLICIES AND LOCAL LEVEL REALITIES, BREAKING DOWN OBSTACLES INTO MANAGEABLE PARTS AND DETERMINING POSSIBLE APPROACHES THAT CAN TRIGGER NEW WAYS OF ADDRESSING SEEMINGLY INTRACTABLE PROBLEMS.

Being politically informed through PEAs may highlight political development issues often considered outside of a particular technical backstop. This can encourage cross-sectoral thinking about linkages between broad based economic growth opportunities and demobilization, or how global financial

regulations intersect with incentives for wildlife trafficking to affect biodiversity conservation.⁵ Even when a sector is constrained by legislative earmarks, better understanding of what is politically feasible should shape choices at the level of individual programs about the content and ambition of desired reform.⁶

Finally, incorporating PEA learning into monitoring, evaluation, indicator development, impact analysis, and collaborative learning can help keep a focus on context-specific constraints. Using the PEA approach across scales and sectors will help the development practitioner to more readily identify key actors and their incentives, relationships and their capacity for collective action. This in turn can help prevent errors of omission in program design.

⁵ Grindle, M. (2007). Good enough governance revisited. *Development Policy Review*, Vol. 25(5), pp. 553-574.

⁶ Faustino, J. and Booth, D. (2014). Development entrepreneurship: How donors and leaders can foster institutional change,” *Working Politically in Practice Series*, Case Study No. 2 Asia Foundation and ODI, London.