Political Economy Assessment

Field Guidance

What is a Political Economy Assessment?
A Political Economy Assessment (PEA) is a field-research methodology used by donors to explore not simply how things happen in an aid-recipient country but why. It results in a written assessment with recommendations for project design. It is a 'tool' that emerged in the early 1990s and has been modified in the last decade to improve aid effectiveness and the sustainability of programs. It is particularly concerned with how power is used to manage resources and, as such, is especially valuable for exploring a 'lack of political will', which is often blamed for undermining reform and hindering progress.

A PEA asks questions about a set of factors that impact a nation's development and governance, factors that include politics, rules and norms, social and cultural practices, beliefs and values, and historical and geographical determinants. It can be applied at various 'levels' – a countrywide analysis investigates the factors driving outcomes nationwide, while a sector-level PEA explores influences acting on particular technical areas like health or education. A problem- or issue-focused PEA examines the forces that create a particular developmental or governance challenge. A PEA can also identify opportunities and actors that can drive change locally.

Why do a PEA?
Think about trying to change things in your home town or work place. Many of the decisions in those arenas that determine whether progress is made are shaped by multiple stakeholders with varying degrees and types of influence and a number of often conflicting views, all taking into account a complicated mix of incentives and interests; and by ways of doing things that are likely to be rooted in past experience and rules, but are molded by powerful contemporary forces working informally. So, while good ideas and technical expertise are needed to write sound policies, multi-directional, iterative political action is necessary to get them implemented. It is the same for promoting reforms in the countries where USAID works.

Typically development and governance projects begin with an ideal scenario and project goals are derived from it. Funds and technical advisors are then used to reach those goals. The PEA framework is based on a different 'theory of change', one that argues that success is more likely if projects build on what is working well locally rather than importing foreign technical solutions. It also acknowledges that local actors must drive change and foreigners can only support their effort, not lead it. This requires outsiders who wish to support the change process, to understand how and why things work as they do locally, who the key actors are, and what incentivizes them. A PEA study provides that sort of information.

When to do a PEA?
In the 1990s various types of PEAs were done at country-level by donors such as DFID and SIDA. The Netherlands Ministry of Foreign Affairs designed its own Strategic Governance and Corruption Assessment in the late 2000s, which standardized country-level studies. Since then various donor agencies have also developed political economy assessment frameworks that are used to do sector- and problem-level analyses, but these narrower studies are often done where country-level PEAs have already been completed. A framework of questions is provided to make the exercise more systematic across time and place, and to encourage users of the PEA to explore frequently ignored but important determinants of change.

Country-level assessments are useful for assessing the causes of national decision-making and policy implementation. This is particularly important in a new regime after, say, a war or an election brings new rules and leaders to power. It can also be used to identify national reform coalitions and 'development entrepreneurs'.

A PEA is also useful when designing a new country or sector program, or changing an old program significantly. It is especially valuable when trying to decide how to tackle on-going poor performance and sub-optimal outcomes in a country or sector that is already receiving aid. Similarly, staff can use the PEA to understand the reasons why a particular development problem – e.g., high maternal mortality rates, girls' low school-completion rates – is so resistant to reform.

Cross-sectoral programming is advanced by doing a PEA that clarifies the social and governance forces that drive behaviors in, say, the delivery of health or education services. PEA-type questions can add value to existing frameworks, such as when analyzing the causes of constraints identified by Inclusive Growth Diagnostics or when exploring the roots of exclusion when doing a Gender Assessment.

More dynamic political environments, such as political transitions or crises or post-conflict contexts, require more flexible and iterative programming modalities, which demand regular assessments that explain not simply what is happening within a development program but why, and doing short PEA assessments would be useful for this. A PEA can also help understand trends within dynamic environments, where special initiatives to address major changes may be necessary; these analyses could support Missions employing a Collaborative Learning and Adapting approach to strategy and project design and management.

It is good practice to re-do a PEA regularly, especially if project goals are not being met and the reasons why are elusive. Having USAID national staff shadow PEA specialists when they do the first PEA will make it easier for subsequent PEAs to be done locally without specialist assistance and at a lower cost. It also makes sense for the Mission to keep track of, on a regular basis, major actors and changes in leadership (at national and sector levels); any changes in the formal rules and informal norms governing behavior; and political, social and economic events that are driving and inhibiting reforms. With this knowledge new projects and changes to existing projects can be planned and on-going projects can be monitored and evaluated and their outputs explained more accurately.

What type of PEA to do?
Using this PEA framework (see Annex) staff have the option to do either a country, sector or issue/problem-level analysis. Bringing these three levels of analysis together makes this framework more complex and somewhat long, but there are good reasons for uniting them into a single research outline, as set forth below. It is also important to note that the framework takes us only part of the way, for discussions among the research team before starting a PEA are required in order to narrow the set of questions to be answered during field research to manageable proportions. Anyone using this framework needs to understand why it is designed this way and how to use it.

Country-level PEA
In an ideal world a country-level political economy assessment would be done first, to explore the factors that drive and hinder national development processes over the long-term, and to identify the main actors, their connections and networks, and to evaluate the other socio-political and economic factors that hinder or promote change. Such factors are likely to impact all sectors and to influence stakeholders in all parts of the country, though perhaps not equally. Such information is useful to have before beginning lower-level (sector/problem) PEAs.

Most national-level PEAs focus on structure, covering broad swathes of history as well as the geography and strategic position of the country, which are likely to affect its national development. For instance, being in an unstable 'neighborhood' or subject to regular flooding, is important to economic development and governance. Similarly, a famine, revolution, or genocide will have a lasting impact on the way people behave and interact. National-level PEAs will certainly include a stakeholder analysis, but also a study of the formal and informal institutions that drive behavior.

Ideally, USAID Missions would do country-level PEAs before writing their country development strategies (CDCSs) because such assessments may well explain why previous aid interventions did not achieve their targets, who is actually making policy decisions, why some ministries function better than others, what causes unequal development across regions, why economic growth is elusive, etc. It may also be useful to do a country-level PEA when events such as regime change or a major political transition significantly change the nature of socio-economic and political systems. A good country-level PEA can identify which potential champions and opportunities are available for nationwide reform and can assist in focusing a country-level strategy around areas where USAID assistance will have the most impact.

Sector-level PEAs
Sector-level PEAs focus on problems and opportunities within a single sector, such as education, environment, agriculture or health. Sectors are best explored by a PEA framework that builds on what is learned in a country-level PEA, and then drilling down to an individual sector. There are good reasons for doing things in this order. For instance, in the health sector a PEA might find problems related to capacity constraints, but it may be that capacity problems are not health-specific but affect the whole-of-government, or indeed, the nation generally. Doing a country-level PEA before the sector study would have picked this up.

If a country-level PEA is not done first (or if no other national PEA is available), it will be necessary to analyze enough country-level drivers to feel assured that wider issues that affect all sectors (such as the capacity problem) are identified. Selecting which questions of those outlined in the framework below, should be answered will require some input by knowledgeable staff or advisors,[1] who are able to pinpoint vital national drivers and eliminate less relevant cross-sectoral issues. Further, it may be that instead of doing major fieldwork nationally a literature survey or a few interviews of key informants (who know the history of the country, its major actors and divisions, institutions and motivating factors, etc.) will suffice.

Problem- or issue-focused PEAs
Research at this level is done to identify constraints that underpin narrow and intractable development or governance problems or to study a particular issue. It is at this level that many current PEAs are focused. For instance, analysts want to understand why a particular service-delivery problem persists, what drives a specific constraint to economic growth, what pathway to reform will best tackle a development blockage, who benefits from the status quo and why, what explains the weakness of citizen demand, etc. Part of the preparation for doing a PEA at this level is defining the precise questions that would be most usefully addressed and determining how to answer them. All of these and many other narrowly defined governance and development questions can be addressed through a problem- or issue-focused PEA.

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[1] This might be staff working in the Embassy, in other donor agencies, local NGOs, etc. It could include local historians and political scientists, country-specialists, journalists, USAID local staff, etc.

Again, it is important to understand some of the sector-level constraints in which the issue is nested. Imagine wanting to know why, say, a Central Medical Store doesn't function as it should, without knowing how it fits within the health sector generally… or asking why school blocks are not being built without understanding what drives decisions about educational spending and procurement.

In other words, a certain number of key questions at the sector-level should be answered before delving into the specific issue or problem. Again, which broader topics to analyze may be identified by talking to sector workers who know the individual case; by reading reviews, audits and PE studies done previously; and by speaking with sector specialists working for other donors, government and NGOs.

How PEA fits with USAID's other assessments

USAID has a number of assessment frameworks that were designed to explore specific issues, such as conflict, gender, and inclusive economic growth. These can be used in conjunction with a political economy analysis. PEA-type questions can be added to these assessment tools, or a separate PEA could be conducted following these other assessments in order to deepen the analyses and provide more details on the constraints and opportunities for engagement. For instance, a PEA may help explain the socio-political and cultural factors that incentivize violent behavior or gender discrimination. It can illuminate the reasons why economic constraints are so intractable. In the governance sector the PEA can support the Democracy, Rights and Governance Strategic Assessment Framework (DRG SAF) by investigating the origin and influence of institutions that underpin, say, human rights abuses and instances of non-democratic governance or where opportunities or champions may exist to address key DRG constraints. It can also support the implementation of cross-sectoral programming by providing more information on how cultural, political and governance factors influence other technical sectors, such as health or education, and on the opportunities and champions that exist to address these issues.

USAID Forward has prioritized the development of projects that foster Local Solutions, by providing aid to local civil society and private sector organizations and by supporting government-to-government activities and strengthening the systems within which these institutions operate. A PEA study helps USAID staff assess why local actors (including civil servants) and agencies and NGOs behave as they do, what institutions (rules and norms) frame their actions, and what has molded and continues to incentivize their behaviors. Effective programming requires such knowledge. Also, having this information helps staff design interventions that are more likely to sustain positive outcomes even after USAID's projects have run their course.

The PEA can also support programming aligned with USAID's new Local Systems Framework. The Local Systems Framework gives staff ways of thinking about development structures and processes that are not far removed from the insights provided by PEA. The Framework defines a system as a set of interconnected actors whose collective actions produce a development outcome (USAID, 2014). While PEAs provide valuable insights on the changing actors, institutions and incentives driving or hindering development, a systems approach is valuable for thinking through how the political-economic challenges identified through a PEA can be addressed, by working through the systems with which our programming is engaged, through intervention such as support for facilitated dialogue and multi-stakeholder alliances to take forward reforms over time.

Finally, different Congressional and Presidential initiatives – such as the Global Fund and PEPFAR, Power Africa, and the Global Climate Change Initiative – have their own assessment frameworks to help their staffs determine the best way to design projects. But PEA can play a vital complementary role. In all these initiatives, large sums of money are

being invested in long-term interventions that support local actors to achieve and sustain difficult changes in key areas – e.g., the electrification of sub-Saharan Africa, the management of HIV/AIDS, and the support of low-carbon growth and sustainable forestry. Like with other development aid that depends on the nature of the local context, but particularly in the case of such significant and long-term efforts at complex change, staff need to understand what forces are working for and against reforms and the effective use of their funds, what motivates actors and groups at all levels to work (or not) in favor of these objectives, and which formal and informal institutions (laws, norms and rules) support or undermine these goals and why. Assuming that institutions and actors in these contexts work like they do in developed nations will almost certainly guarantee an ineffective use of aid in the long term.

Ownership of PEA

Past experience with PEAs has demonstrated that unless program and technical officers understand and 'buy into' the research process, they won't be much interested in using the findings for designing interventions. This is true of many assessment frameworks, but it is especially important in this case because programming from PEA findings can be challenging; understanding how important the findings are and how they were derived can ease the design process somewhat.

It is therefore important to get the technical office or project development officer, the officer writing the CDCS or whoever has commissioned the study involved in the PEA process. Ideally the person working on the project or design would go into the field with the research team at least periodically, to hear for themselves what informants have to say about the actors and interests that affect reforms. Second best, they would be involved in PEA planning and attend meetings where the study's findings are discussed.

It is therefore, a good idea to hold a workshop comprised of these Mission staff and the PEA researchers, where the findings are shared and validated. (The PEA team can be sent back to the field if the data seem incomplete or wrong). Initial discussions may also be held at that meeting about how the findings can inform new aid programming.

The cost of doing a PEA and the time it takes

A PEA can be done by a specialist contractor who understands the USAID PEA framework and process. But a better way for the Mission is for the PEA to be done by in-country staff and local researchers working in tandem with USAID PEA specialists. The process starts with a two-day workshop that covers research methods and identifies the questions to be answered by the field research. Doing the PEA research and afterwards, brainstorming on project design together as a team are also part of the hands-on training in PEA. This supports staff learning and their ability to conduct assessments and use a PE lens to monitor and evaluate projects in the long term.

It can take several weeks to complete first, a literature review, and then the field work. Costs include wages, travel, accommodation, subsistence and communications for the researchers. Budgets should also include the time it takes for the authors to write the report and for their meetings with USAID staff to talk about the findings and how to use them in programming. Any additional costs arising from USAID staff working with the researchers (in the field, perhaps, or afterwards during project design) should be factored in.

The time it takes to do a PEA will depend on the complexity of the study, the nature of the topic(s) being addressed, and the number of people doing the research and writing. Getting to grips with how another society works is not a simple task. The more knowledgeable the team before starting the PEA, the faster the process will be though. Also, the simpler the topic, the shorter the study. Asking, for instance, why a country is unable to generate and sustain a range of developmental outcomes can takes a team of several people a couple

months or more to begin to discover the answer. On the other hand, explaining why a particular unit in a ministry is unable to deliver a simple output is likely to take less time, say, a couple weeks, assuming the answer is not too complicated.

Altogether, then, it can take upwards of two months for a team of no less than 3 people to do a full country-level PEA. Some studies will take longer and use more people, while others will take less time if the problem under study is narrow, the team is especially knowledgeable, and/or the research is to remain relatively shallow ('quick and dirty'). A simple PEA can even be done by a program or technical officer on their own, using previously gathered materials. Generally, though, unearthing information on real motivations, 'informal' institutions, and behind-the-scenes actors takes time. That said, a PEA must be designed to fit the skills, time and budget available.

Who should do the PEA?
A person trained in PEA methodology needs to be on the research team. That can be a USAID employee from the region, Mission or Washington DC, or a specialist contractor. As important to the team is a second person, who has knowledge of the Mission and its program, and if the PEA is to be done at sector- or problem-level, who has a full understanding of the sector and/or issue under study. Further, the team must have a good local researcher, either a foreign service national (FSN) or perhaps a political scientist or journalist, who knows the key actors and the history of the country, and who understands current affairs. Sometimes several local analysts may be required because they have different specialities, say, procurement and public finance, or community participation and citizen voice. A well-connected local researcher can open doors (make appointments) for the team; otherwise the group needs the support of another local person or FSN with the gravitas to arrange meetings with hard-to-access informants.

The work will include a report that needs to be clearly written, and that draws conclusions relevant to project design. Thus, a person is required who is conversant with the Mission, its program and with the country/sector/problem, and who can write well in English. This can be any one (or more) of the team members, or a separate person who can draft the report using the fieldwork findings. The final report should be read, validated, and corrected by the field-team members, and its findings and their implications discussed with Mission staff.

A decision to involve or exclude local stakeholders, including government, in the PEA process needs to be made. Certainly little of the information gathered will be surprising to local leaders, but their participation can influence how open informants may be in discussing sensitive issues. If controversial information is uncovered, they may be less keen to report it. The need for USAID to design projects using full and solid information needs to be weighed against the advantages gained by including local stakeholders in the PEA process. Certainly the PEA framework can be shared with locals who wish to undertake their own assessments.

How to do a PEA
Generally a PEA begins with a literature review of the country/sector/problem under study. That process should include reading all previous PEA reports on the topic. Many of these will not be in the public domain, and the researchers will have to seek these out from analysts, consultants and other donors. The review might include other donors' and NGOs' unpublished reports, audits and specialists' reviews, political science and historical studies, anthropological reports, and material from journals and newspapers. The Mission is responsible for gathering and disseminating these documents. It is useful to write up the literature review for the whole team (and USAID staff) to read. This literature survey – in so far as it explains the topics to be studied – should inform the design of the fieldwork. Whether in the form of a literature review or as separate reports, the whole team should read

these background materials before starting the training and research. Some of the material can be incorporated into the final PE report as background information.

Next the team needs to spend some time talking about the reasons the PEA is being done: e.g., to initiate a new country strategy, to (re)design a project or to understand why previous interventions have not been successful. The aim of these discussions is to identify the specific question and sub-questions to be answered in the field. This can take several sessions as the Mission narrows its focus and thinks through its priorities and constraints, and the context in which it is working. For instance, a first discussion may start with the idea of doing a PEA to develop a new health sector project. The discussions may progress to identifying the need to do a PEA to understand how public health policy is being made and implemented by the partner government and to assess the role of other stakeholders. After more discussion it may turn out that most useful questions to answer will be around a specific policy or intervention (e.g., childhood vaccinations) or a particular region or institution. Finalizing the questions will be done during the 2-day workshop before going to the field, but progress should be made early on to guide document collection, the team's composition, and other aspects of planning.

Prior to, or during the two-day workshop the team will start organising protocol and initial appointments. An initial list of informants will be drawn up during the workshop prior to going to the field, and after the PEA questions are identified by the team. Informants may include (long-term) donor officials, senior and junior government bureaucrats and service providers, politicians, international and local NGO leaders, traditional authorities and heads of community-based organizations (CBOs), academics, business people, and depending on the study, some members of the general population. At times several people can be interviewed together or in a focus-group discussion. It can take at least two weeks to talk to all key informants, but a complicated study may require meetings over as many months.

A two-day workshop will be held before going to the field. Workshop participants will include the PEA specialist, the Mission team (including FSNs, project and program staff, and perhaps others) and any local contractors acting as country specialists. It is held for the team to learn about PEA, design the field research, think through the questions to be answered, identify informants and field sites, prepare a research schedule, divide up the work and do any other necessary planning. By the end of it the team will have prepared a guide that covers the topics to be explored with informants, and includes specific questions to answer during the fieldwork. Using the questions provided in the Annex should be a good first step – and answering them will provide good contextual and background information – though these will need modification to fit the specific context and topic under study.

As new information is gathered, it may be necessary for the team to go back and meet some of these same informants again to double-check its findings. Triangulation of data is vital, especially if the information is controversial, secret or sensitive. Rigor is increased by frequent team meetings during the fieldwork, where findings are shared and compared. Determining if the findings are replicable across a wide range of places (outside research sites) requires a different methodology that includes sampling around key variables.

When making appointments, and later when doing interviews, it is important to ask for any literature the informant is willing to share – e.g., reports, reviews, published pamphlets, unpublished papers, minutes of their own meetings, etc. Sometimes photos can be taken that illustrate a point made during interviews.

Then the PEA report is written – taking at least another couple weeks – and the draft commented on, changed and finalised. The report can be (but need not be) upward of 30 pages, and complex issues may generate much longer reports. Presenting the report to staff for validation, and any return to the field by researchers to re-check data, can take more

time. The fieldwork, analysis and written report are often the initial phase of a longer process of programming for better development outcomes.

Reporting and publishing PEA findings
A written report of 30+ pages is generally produced by the team. A closed workshop with USAID staff and the team should be held to summarize, discuss and validate the findings. This and other meetings may assess the implications of the findings for USAID project design. A second meeting may be held to present the findings to other donors and/or local stakeholders, including government.

Because of the sensitive nature of PEA findings the report is often not shared beyond the agency commissioning the study, in this case, USAID. This is unfortunate, for PEA explains the factors promoting and hindering developmental change and good governance, and that analysis would be of use to anyone wanting to support reform, including local stakeholders. In fact, most of them understand their own society very well and would not be surprised by the findings. In any event, sometimes two reports are written – an in-depth study that is retained by the donor, and the other for public dissemination, which is less detailed.

Using the PEA report for designing and modifying projects
It is important for programming and for ownership of the PEA report that at the end of the study, its findings are discussed in depth by the researchers and the appropriate (e.g., sector, governance or program) staff. In order to judge the validity of the findings and to fully assess their implications for programming, these discussions should cover the research methodology, the various respondents, the data collected and the analysis made by the team. Variations in the findings (e.g., between sectors or across the country) should be highlighted, and explanations for them, given. The specific findings around each question and sub-question should be considered in detail, especially what the causal factors are, how they relate to the larger country/sector PE, the role/motives/influence of the key groups and individuals identified during the research, and the informal and formal institutions shaping behavior. Finally, a discussion is held about how these findings may affect project design, outcomes, and methods of monitoring and evaluating change.

A PEA can inform any sort of programming. It can offer insights to improve sector interventions (e.g., roads, health, water and sanitation) or governance and human rights projects (e.g., citizen scorecards or parliamentary support). The knowledge gained through these studies can identify, say, why a civil service lacks the capacity and will to push through reforms, or why NGOs meant to strengthen civil society are unable to generate sufficient 'voice and accountability' to change the way services are delivered. Such information should help the redesign and implementation of traditional aid projects.

Innovative projects using PEA findings
PEAs can also support more innovative forms of programming. Because political economy enthusiasts generally believe that locals must drive their own reforms and that aid agencies can facilitate but not lead change, projects that are designed using PEA findings are often different than traditional development interventions that start with a normative (a standard, often imported Western) agenda and provide TA and funds to implement it. These innovative projects might support local institutions that already generate good outcomes and incentivize changes in institutions that nudge local actors in the right direction. Projects such as these that emerge from the local context do not always lend themselves to logframes and predetermined output indicators, and may not benefit from huge sums of financial aid— though these sorts of projects can still be supported, monitored and evaluated over time by USAID staff.

Such work is not predictable, and while the ultimate achievement of results may not occur during the course of a CDCS or a particular USAID project or staff member's appointment, significant change can also be accomplished within a shorter timeframe. And it requires staff to be politically astute. These projects recognize the need to address collective action problems (that hinder collaborative endeavors) at all levels and to support the emergence of local leaders with vision and networking capabilities, 'development entrepreneurs' and 'reform coalitions', all of whom recognize and make use of unique opportunities that arise from changes in national or local power relations, or even from crises. PEA provides insights that permit foreigners to play a supportive role.

Using the PEA Framework
The Annex below lays out the PEA framework. It contains a set of topics to be explored at various levels, and the questions that might be used to obtain the sort of evidence that explains which factors drive or hinder developmental change and why. The questions to ask depend on what level of PEA is being done. A country-level assessment will be concerned with different topics than a sector- or problem-focused study. Not all levels/topics need to be addressed. This will depend on the nature of the PEA and its purpose. As noted above, the team doing the PEA will need to decide which level to *concentrate* on, and which questions in the level(s) above require answering to put the findings into a broader context.

Country-level PEA framework[2]
The following sections are included in the country-level assessment:
  i.   *Purpose and scope of the study*. The country-level PEA should be fit-to-purpose. That presupposes that the USAID program and technical staff are clear about why the research is being done, its scope, and how the findings will fit within the Mission's program (e.g., to inform a CDCS, a Global Health project, or as part of a national inclusive growth diagnostic).
  ii.   *Foundational factors* change slowly and are generally rooted in history. They affect state formation and legitimacy, as well as the structure of the state, and the nature of economic and political systems.
  iii. *Rules of the game* are formal and informal institutions, which emerge as a result of foundational factors. These rules and norms influence the behaviour and relationships of stakeholders, including the elite. Institutions generally change a little at a time, as social and economic pressures motivate people to find new ways of doing things that they believe are an improvement on old ones. Institutions can support or hinder collective action among the elite, government and ordinary communities, which is needed to implement reforms.
  iv.   *The here and now* is concerned with important events at the present time and with their influence on the incentives and institutions that shape how things are done. Events – e.g., elections, famines, genocides – can greatly affect how things are done, but they must compete with longer-term forces (foundational factors) and entrenched institutions (rules of the game). Also important are stakeholders, especially leaders and elite coalitions, who can influence the nature and speed of change.
  i.   *National dynamism.* In order to find viable entry points and opportunities for change it is useful to identify what major features of the society, economy and political system are driving change and how. Outside events (such as neighboring wars) as well as internal affairs (e.g., women's empowerment, the discovery of oil) can have a far-reaching impact.

Sector-level PEA framework[3]

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[2] Based on the Strategic Governance & Corruption Assessment (SCAGA) developed for the Netherlands Ministry of Foreign Affairs.
[3] Adapted from the Framework for Sector Political Economy Analysis developed for the European Community.

The concepts in the sector-level framework are based on the country-level PEA framework, but are focused on a narrower set of interests, institutions, and actors:

   i. *Purpose and profile of the sector.* The PEA's scope and purpose and how it will be used, should be made explicit. Further, the sector's recent performance, legal framework, key actors, and organisations must be identified.

   ii. *Foundational factors.* Long-term factors affecting the sector should be identified, e.g., history and structure of the sector, sector assets, revenue sources, etc. Some broad drivers will affect country-level dynamics (e.g., state building, historical events) but the PEA should look at how they have impacted the sector and its operations over time.

   iii. *Rules of the game.* This section includes an analysis of informal and formal institutions (rules and norms) that shape the behaviour of people and groups operating in the sector. Political institutions reflect and affect the distribution of power, political competition, policy making, budgetary processes, and sector management. Economic institutions concern ownership of assets, the operation of markets, competition, land management, etc. Interactions between the elite, including service providers, and the people are also governed by norms and rules (institutions) as well as ideas.

   iv. *The here and now.* Each sector will be impacted differently by current affairs and trends. Questions to ask include, how do current events affect the sector? Are new actors, networks and issues emerging as others disappear? What influence have they, how is it used, and how does that affect the sector/rents/services?

   v. *Sector dynamics.* How are political and economic processes affecting the performance of the sector, rent-creation and distribution, services, production, etc? Explore how an individual sector's characteristics affect politics, performance and services.[4] What opportunities for reform are opening up?

Problem- or Issue-focused PEA[5]

A PEA at this level looks at a particularly intransigent problem that the agency is hoping to address and that technical specialists/audits have already investigated. It may want to explore a particular issue - for instance, how decisions around mining or privatization are made.

   i. *Identifying the problem.* The problem should be clearly delimited and defined and the purpose of the research understood. If more than one problem or issue is identified, they must be clearly distinguished.

   ii. *Foundational factors.* Because problems are generally of long-duration, this section asks about the history of the issue or problem under study and how it relates to larger (sector and country) foundational factors (e.g., state formation, regional rivalries, social and economic structures, etc).

   iii. *Rules of the Game.* The PEA needs to outline the legal and regulatory environment affecting the issue/problem, and how effectively laws and regulations are implemented. It should explore the informal norms and social/belief-systems that influence behaviours affecting the problem as well. Other important topics in this category include the nature of political competition, elite networks, systemic exclusion, collective action problems, accountability and the responsiveness of those providing public goods.

   iv. *Here and now.* Again, the PEA needs to explore the influence of current affairs. For instance, what key actors, interest groups and networks are critical to this issue, what influence have they, how do they wield that influence, and what motivates them? What is the relationship between the various key actors and does that affect the nature and tenacity of the problem? Who are the 'winners' and 'losers' of the *status*

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[4] For more on this issue see Claire Mcloughlin and Richard Batley (2012) 'The politics of what works in service delivery: an evidence-based review', ESID Working Paper 6. Feb.

[5] Based on a framework for problem-focussed political economy analysis produced for AUSAID.

quo and of any change? Which events and important actors will influence whether and how this problem is addressed?

v.   *Dynamics and complexity.* It is necessary to track any alteration in how this problem is manifest, and how actors/networks/interests groups and their influence are changing. What is the level of uncertainty and complexity surrounding this issue and what exactly drives those? Are opportunities for change opening up or closing?

The framework is meant only to guide the PEA process, and more experienced analysts will forego some questions and add others as needed. Some may wish to explore particular constraints that undermine development and to identify local reformers, while others might want to ascertain pathways to change and ways to support them. The important point to remember is that the PEA is based in a 'theory of change' that sees local stakeholders as drivers of reform and aid agencies as supporters of that process. Major change takes a long time, context matters and reform processes differ from place to place (and across time). Second-best solutions rooted in what works well locally are preferable to imported ideal solutions that may not work in the context at hand. Flexible project modalities that allow learning, experimentation and even failure are more historically valid than rigidly planned development.

Narrowing down to research questionsBefore and during the workshop preceding the field work, the team will talk through the exact questions it needs to answer to improve its general knowledge of the context but also for project design. This is also needed in order to make the fieldwork fit within the timeframe and budget. Key to facilitating this process is a team's understanding of the PEA guidance and framework, for these are meant to initiate thinking about structures, agents, and institutions that inhibit or promote change in a particular context, and the role that any donor or outsider can play in that process. (These together constitute the beginnings of a 'theory of change').

Basically the PEA specialist and team will begin the dialogue around the aim of the new project, where blockages have appeared in the past in this and related projects, what sorts of structural issues complicate or ease aid delivery, which actors are instrumental to success or failure, and which institutions are important to the development process. Other questions of this nature are asked, but essentially this about gathering basic information about the context and the Mission's program.

A second step is to begin to hypothesize about why these things are this way. While some of the questions cannot be answered yet, the team is starting to narrow down its fieldwork questions: why is a particular group so influential? Why is civil society so weak? What motivates those people's behavior? Does culture play a role? Who owns what and why does that matter? Why don't the formal institutions work? How are decisions made? Why are good policies not implemented? Answering these and other 'why' questions is central to PEA.

The research questions will depend solely on the issue under study and the context. No standard set can be drawn up, and that is why it's a matter of the team – with its knowledge of the country, its program goals, and its resources – identifying exactly what information is needed – which questions need to be answered – to explain how and why things work as they do in the country or (sub)sector in which it is planning to work.

This process of identifying the precise topic of the research can take hours of teleconferencing and work-shopping. The aim is to come up with a handful of questions that are central to project planning, that may be answered when the team interviews informants during field research, and that illuminate the causal factors that are likely to influence behavior and proposed reforms.

Further reading

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Annex: **PEA Framework for Country, Sector and Issue/Problem-level Data Collection and Analysis**

PEA Focus	**Country-level**		
		Key factors to consider	*Types of questions to ask, topics to explore and data to collect*
Purpose identified	The purpose of the PEA and its scope will shape its methodology, questions, the report, the findings and their uses.	• For which purposes will the PEA findings be used (e.g., CDCS)? • Are there issues in USAID's existing country programme that the PEA is meant to explore? • Are there any particularly poor or good processes or outcomes that the PEA aims to explain? • Are there national structures/ changes that the PEA is meant to analyse?	• Gather and read existing PEA reports, reviews, audits etc. to learn others' explanations for good/poor outcomes, processes, key actors, etc. • Are their limitations on USAID's programme (e.g., resources, timing, outside agendas, etc.) that will determine how the PEA findings will be used and on how many resources should be spent on the study? • Do those designing the programme agree on the value of PEA, local solutions, and other aspects of the operational theory of change? • Are there well-qualified staff/contractors to do the PEA study, and arrangements for ensuring Mission ownership of the findings?
Foundational Factors	Deeply embedded national and sub-national structures that shape the character and legitimacy of the state, the political system and economic choices. Many are slow to change.	• Territorial control • Geostrategic position • Geography • Historical influences • Social and economic structures • Sources of revenue • Natural resource endowments • Economic structures and potential for surplus generation • Political settlement • Economic integration nationally and globally • Structural constraints to growth	• Does government administer all of its population and territory, and does it have a monopoly of violence? Can it collect taxes everywhere? • Is the country in a 'safe neighbourhood', is it landlocked, is it dependent on outsiders (including aid), and is it vulnerable to attack or external pressures? • Are there natural features that affect national control, equity and unity? Is the country subject to climate stresses, population pressures or other natural restraints? • Past events that influence state formation and legitimacy, power relations and equity, civil society's capacity, and economic structures.

		• Cultural and social imperatives	• Classes, groups, organisations and economic structures and interests that impact policy; the operation of ethnic/caste/ religious groupings and patronage and traditional networks.
			• The importance of aid and natural resource earnings compared to taxation; transparency and (ab)uses of any formal or 'unearned' revenues.
			• Major resources (e.g., oil, minerals, land, water) available and the level of their exploitation; benefits/damages they bring to which groups, national unity and progress, etc.
			• Significant economic organisations and processes that contribute to (pre)class and group formations, political/social power, and exploitable revenues.
			• The nature and stability of the political contract between the state and the elite, and the benefits derived by the elite and the nation.
			• The nature of the social contract between the state/elite and the citizenry; which groups its benefits and why?
			• Which economic sectors are vertically/horizontally integrated domestically? How is the national economy integrated into international economy?
			• What factors drive the main constraints to economic growth, equity, integration and stability?
			• What socio-cultural features are important determinants of behaviour and change, and what maintains/undermines their influence?
Rules of the Game	Formal and informal institutions (rules and norms) that influence actors' behaviour, their incentives, relationships and their capacity for collective action.	• Key rules-based (formal) or personalised (informal) institutions • Distribution of power between key actors/groups • Rules governing the competition for political power and relations	• What legal 'parchment' (constitutional, legislative, regulatory) frameworks exist; are they stable and routinized, known and understood; are they implemented fully, equitably, transparently, and predictably; is their implementation and operation resourced (with funding and skilled staff)? • Does the formal framework as implemented reflect international agreements the government has signed (e.g., UN conventions)?

		between political actors • Formal and Informal institutions shaping economic activity, tax, wealth and rents • Social networks and their influence; ideological and cultural forces.	• Which 'informal' norms and (cultural/social) traditions have influence? Are they changing and why/not? How do they affect power distribution, social justice and equity, economic processes, service delivery, governance, etc.? • Are the political executive and powerful actors (e.g., the wealthy, military, MPs, economic or social elite, party officials, senior bureaucrats, traditional and religious leaders et al) constrained by the formal law and/or by informal norms? How? • Are political competition (including elections) and the distribution of power managed lawfully? What norms and rules govern how power is distributed and used? • Are civil society activism, the media, free expression and access to information protected by laws that are fairly implemented? • To whom are powerful actors accountable, how and why? • Do legal reforms promote the interests of certain groups or persons? Can entrepreneurs and workers depend on a fair and predictable rule-of-law? • Are key economic processes (property rights, tax collection, production, lending etc.) managed legally? • Are human rights abuses and corruption punished? Are 'uncivil' elements (terrorists and criminals) punished? • Are international relations (including debt, aid, investment, trade, ownership of property, immigration etc.) subject to the rule-of-law?
Here and now	Current or recent behaviour of individuals and groups and their response to events ("games within the rules") that provide opportunities for, or impediments to change.	• Key actors/groups; any emerging and disappearing and their effect on decision-making and behaviours. • Current events, e.g., leadership, political or economic changes – and their impact on structures and institutions. • Nature of the political	• Key leaders and elite coalitions/groups that make decisions and act on them; the roots and nature of their authority; and any recent changes that affect their power, legitimacy, and status, decisions and actions. • Significant, recent events; how they affect rules and norms, decision making, the distribution of power, stability, dominant ideologies and beliefs, group and class relations, development processes and progress, and foreign (aid) relations.

		settlement (among the elite) and of the social contract (between the elite and citizens). • Global or regional forces that affect the private sector and public decision-making. • Domestic and international pressures that impact social, political and economic structures and processes.	• Which issues, interests or individuals are key groups organising around? The structure of the groups (e.g., clientelist networks, political parties, CBOs, ethnic assemblies, etc.). • The relationships between government, the elite and society generally; how rents and patronage are created and allocated; how citizens' loyalty is obtained/retained by leaders; the impact these have on social and political stability, national economic processes and growth, and on service delivery across the sectors. • Major regional and global events and actors that impact national social, political and economic processes and outcomes. • New pressures (e.g., climate change, HIV/AIDS, refugees) and how they influence existing actors, structures and institutions.
Dynamics	What features are in flux and may drive an opening or closing of space for change? What foreign or domestic drivers of change are acting on society already? What levels of complexity and uncertainty are there in any potential changes that are identified?	• How the interaction of foundational factors, rules of the game and the here and now influence the scope for solving collective action problems • What may change the distribution of economic, political and social power? • What entry points or opportunities are likely to arise or close?	• What factors noted above support or undermine coordinated action between multiple stakeholders towards a common goal, and are changes underway that would improve collective action favouring specific or general reform? • Which of the factors identified above are in flux and why? How likely will that impact the key determinants (e.g., leaders, resources, interests, institutions etc.) of national development and reform? • Which governance challenges inhibit reform, how and why? • Are key actors (groups, individuals and classes) emerging or disappearing, and are their relationships changing? How and why? Are changes linked to the economy, politics or other factors? What is the likely outcome of these changes? • Is the space for reform opening or closing? Why? How to assess and what determines the right time and best way to take advantage of opportunities? • Are reform champions, 'development entrepreneurs' or elite coalitions for reform identified? What are their interests and motivations? What constrains their action? • Has aid been transformative, which aid modalities work best

		locally, and why?

PEA Focus	**Sector-level**		
		Key factors to consider	***Examples of questions, topics to explore and data to collect***
Purpose identified	How will the PEA findings be used and by whom? What is the recent performance in the sector (indicators) that has led to this study?	• What sector or sub-sector is the PEA meant to cover? • Are particular problems or issues to be addressed or excluded? • How well has the sector performed in delivering public goods, and in contributing to growth and poverty reduction? • What are the main achievements and failings in the sector? • By whom and how will the PEA be used?	• Collect and read donor/NGO/government/academic reports, PEAs, and audits/reviews about the sector. Interview sector specialists about stakeholders, performance, and outputs. • Profile and current status of the (sub)sector under study – e.g., structure and organisation; funds and aid flows; scale in relation to GDP and national budget; key state actors, staff and their capacities; other actors and their inputs (e.g., NGOs, CBOs, religious groups, businesses); outputs and performance; legal and policy frameworks; key institutions and processes, internal/external pressures and influences (e.g., partisan politics, population growth); space and opportunities for reform. • The sector's contribution to poverty reduction and economic growth. • Do service delivery and performance differ by area/region, why? • Any significant, recent changes in sector performance, and why? • How is performance measured? Are data on inputs/outputs/ processes/performance and staffing accurate? • What constraints and problems undermine good performance? What are their (social/cultural, political, and economic) roots and characteristics? How and why do they persist? • Who are major donors in the sector, their modalities and inputs? • How will the PEA study be used, by whom, and is there a mechanism in place to ensure Mission 'ownership' of the findings? Funding availability, Mission capabilities, USAID's influence, and the capacity of local reform leaders should be assessed when designing programmes from the PEA findings.
Foundational	Historically rooted structures	• Key foundational factors that	• What impact on the sector have geography, historical legacies, social

| Factors | that shape the sector, its integration into the state, its outputs, and revenues. | affect the sector.
• How do these shape the power and incentives of key actors, sector management, rents, etc?
• Who have been the main actors and organisations in the sector, and how have they shaped the sector and its outputs?
• What resources does the sector depend on, and are they available and well used? | and economic structures, national integration, state formation, government legitimacy, revenue sources, territorial control, trade links, ownership structures, institutions, legal and regulatory frameworks and other national structural features?
• How does each of these affect sector services, processes, outputs, funding levels, and performance?
• What is the organisational structure of the sector and the role of different layers of government in operations and service delivery?
• Are individuals and specific interest groups identified with the sector? How and why? What motivates them, why are they influential, and what forms do their actions take? What effect does each have on sector policy, processes and performance?
• Are entrepreneurs and businesses, NGOs, CBOs, religious organisations, gender or ethnic groups, and other non-state actors particularly active in the (sub)sector? How and why? Try to gain access to their documents, reports, audits, and studies.
• What are the sources of revenue for the sector (e.g., taxes, aid, donations, self-help, fees, etc.)? What percentage of the budget does the sector absorb, and what contribution to GDP does it provide? Are the figures to be trusted? Is funding sufficient and why?
• How do the sources of revenue affect the public's demand for (better) services? (e.g., paying fees might inspire demands for accountability).
• Can the sector (or specific sub-sectors) absorb more funding?
• What (staff) capacity constraints exist and why? Are sector (financial, management, human resource, etc.) systems operating well and why?
• Are there reports of corruption, nepotism, clientelism, criminality, rights abuses, or partisan politics affecting the sector? Are these being addressed, by whom and how? What other problems in the sector have been identified, and what are their cause(s)? |
| **Rules of the Game** | Formal and informal institutions that shape behaviours, distribution of power, rents, policy-making, and management of the | • What are the formal rules, public policies, laws and regulations governing the sector, and to what extent are they implemented in practice?
• What informal norms and beliefs | • What formal, legal and regulatory frameworks underpin sector operations? Are laws and rules well implemented? Do they reflect international norms and agreements?
• What policies mould sector structures, operations, administration and funding? Is policy implementation predictable and transparent, and do the policies reinforce rules-based behaviour? |

	sector.	effect the sector? • How do formal and informal institutions effect the interests, incentives, capacity and level of influence of key actors in the sector? • What economic institutions (ownership, management, property rights etc) affect the sector and its outputs?	• Are policies translated into strategic plans that are funded, and into systems being operated by adequate numbers of skilled personnel? Why? • What informal (unwritten, traditional or cultural) norms govern behaviours in this sector? Why and how do these retain influence? Who enforces informal norms (e.g., chiefs, religious leaders), how? • What beliefs and ideologies guide actions? How do they impact sector activities and outputs? Are these ideas changing? How and why? • What interests, motivations, and incentives spur key actors and groups to behave as they do? Are these region-specific and do they change over time? How/why? • What rules govern economic assets and processes (e.g., property ownership, hiring, delivery of services)? Is competition allowed by the rules, and are there monopolies that impact the level and quality of service delivery? • Are there private businesses and entrepreneurs active in the sector/doing what? What legal and normative frameworks regulate their activities, transactions, and outputs? Are these rules applied equitably? • What political institutions govern decision making about sector policies and operations? Are these rules and norms publicly known, transparent, routinized and predictable? • Which key actors make decisions in this sector/why/how? (president, minister, MP, central or district bureaucrats, chiefs, et al?) • Are key actors held to account or not? How/why? • What rents are generated in the sector? Who controls and benefits from them? How are they used? • Is criminality or rights abuse an issue in the sector? Who benefits and how? Is it punished/why? • Does political competition (elections, partisan politics etc.) affect operations or outcomes in the sector?
Here and Now	Current and recent events, actors and behaviours that affect the sector and its	• How are current events, personalities, political and economic developments affecting the sector context and	• Which significant events, actors and trends are currently affecting (sub) sector operations and the delivery of public goods? How/why? • Are political contests affecting the sector, how and why? • Is governance of the sector changing? Are structures and management

	outcomes.	key actors? • Are new actors, networks and issues emerging as other disappear? What influence have they on sector performance, including rents, service provision, management etc? • How does the distribution of power between key actors explain the pattern of winners and losers in the sector?	processes stable or being reformed (how/why and the impact)? • Are there reform processes underway (or hindered), what are their goals, who is driving/blocking reform and why, and will reform affect sector operations and outcomes? • As change happens in the sector, are there distinct winners or losers? Who, how and why? • Are there new actors (businesses, politicians, ministers, bureaucrats, NGOs et al) affecting the sector's operations and outputs, how and why? What interests and motives drive their actions? Are old actors and interests being displaced/why? • Are the sector's funding levels and human-resource capacity changing? What causes that and what is the impact? • Are there natural or man-made crises affecting the sector? • What specific issues are central to sector operations currently? • Are market conditions affecting sector performance? • Are global or regional events having an impact on the sector?
Dynamics	Which political, social and economic processes are changing and how are they impacting the sector? Where is change likely to emerge in the sector? What processes within or outside the sector have the potential to generate significant change?	• Are benefits (public goods) being shared equitably and is this changing? • Where do economic rents arise in the sector, how are these captured and shared, and is this changing? • Who are the winners and losers of changing sector policies? • Which actors can influence policy outcomes in their favour, and which actors are marginalised? • How do the winners of public policy achieve and defend their political influence? • What are the key relationships sustaining their position? • What feasible options for policy	• What benefits are being generated by the sector (services, rents, influence, votes, etc.) and are these changing in character or quantity? • How are benefits distributed and to whom? Are benefits subject to capture by special interests? Is this changing? • How are rents created and distributed? Does that affect services? • Is the diversion of resources or public goods common, and who benefits? Are there changes in the nature and amount of corruption, nepotism, criminality, and politicisation in sector operations or services? Are there improvements, how and why? • How are policy processes (i.e., making new policy and implementing it) changing, and why? • Which sector actors (ministers, NGOs, MPs et al) are most/least influential in the policy sphere, and why? How do they maintain their influence? What and whose interests do their policy inputs serve? Is this situation changing, and how? • How do the key sector actors and their interests align (or not) with national political, economic, or social forces? Is there a direct link between national-level and sector-level actors, interests and activities?

		and institutional reform are there? • What is their likely impact of external and domestic drivers of change?	• Explain if/why there are opportunities for reform in the sector, the nature of reform, and the best timing? • Who might best lead reform initiatives and why? What are their goals, motives, advantages, sources of influence, alliances, funding sources, etc.? • What impact can outsiders have on reform in the sector and why? What is the best role for foreigners in support of sector-change?

PEA Focus	Problem/Issue-level		
		Key factors to consider	*Examples of questions, topics to explore and data to collect*
Purpose identified	The purpose of the issue or problem should be defined, and if there is more than one problem, they should be clearly distinguished and their indicators defined.	• What poor process or outcome is this PE study mean to explain? • What data demonstrate poor performance and its cause(s)? • Is this PEA meant to explore previous aid interventions and their effectiveness? • Is there more than one issue or problem under study, and are they clearly differentiated and defined?	• Define the problem or issue exactly, and collect and read reports, reviews, audits and other documents that provide details. • Explain any previous or current attempts to address the issue or fix the problem, including domestic reforms and foreign aid programmes. • What assumptions underpinned the previous reform-method(s)? Why were the assumptions valid or not? What processes and resources were used to promote reform? Were any successes registered? Why? • Explain any reluctance or intransigence to address the problem, and its roots. • How does the issue/problem and its causes and consequences relate to events and trends at national and sector levels?
Foundational Factors	How are deep-seated foundational factors affecting the issue or problem under study?	• What broad factors (often at national or sector level) affect the problem? • How can the causes of the problem be addressed - through narrow issue-focussed, sector-level and/or nationwide interventions? • Which interests and actors are central to the issue/problem? • Is the state well-established and considered legitimate? Is civil society empowered? How do the state and citizenry and their relationship/interactions affect the problem?	• Which national or sector-level 'foundational factors' affect this issue/problem, and how? Can they be addressed/how? e.g., geography, geostrategic position and neighbourhood, natural and human resources, historical legacies, state formation, regional or sectarian divisions, etc. • Which key socio-economic structures and constraints to economic growth impact this problem? How does the capacity to generate economic surpluses and 'unearned' revenues affect the issue? • Is the state unified and does it have authority over its population and territory? How does state formation impact this issue? • Who are the main actors of concern, and what motivates them? What is their relationship? What actions do they take regarding the issue? What interest(s) do they have? Who benefits from reform or lack of reform, and how? • Which socio-political features affect the issue and how – e.g., loyalties, clientelist networks, ethnic or sectarian cohorts, party affiliations, regional identities, gender ties? • Who benefits from rents or diversions of resources, how and why? • Who and which interests oppose change(s), and why? How empowered are they, and how do they wield their influence?

			• Are there domestic stakeholders wanting change? Why? Are they organised, empowered and influential enough to drive reforms? Why/not? • Are there citizen groups (CBOs, NGOs, religious or traditional organisations, et al) that are organised and empowered, and able/willing to demand and/or make change around this issue? • Does the national political settlement (between the elite and government); the nature of political contestation; and/or the distribution of political power affect the problem? How/why? • Is the government considered legitimate and does that influence the issue? • How functional is the state bureaucracy, and does civil service (in)capacity and/or resource constraints affect the problem?
Rules of the Game	What are the formal rules and laws bearing on the problem under question? To what extent are they adhered to and enforced? What are the informal norms and ideologies relevant to the problem?	• What is the constitutional, legal and regulatory framework of the problem? • Are there any important gaps not covered by legislation? • What are the intended and unintended consequences of legislation? • Are laws and regulations implemented? Why? • What informal rules and belief-systems (including tradition) affect behaviour? • What are their roots? How do they influence and impact the problem?	• Is national policy on this issue accurately reflected in legislation and regulations? • How is the issue/problem nested in sector- and national-legal frameworks, and do any narrower formal ('parchment') laws and rules specifically address this issue? Do the formal legal frameworks reflect international norms? • Are the laws and regulations properly enforced? Are human/financial resources made available to ensure their proper implementation? • Which gaps in legislation or regulations exist and how do they affect this issue? • Which beliefs, traditions, cultural norms and other informal institutions affect this issue, and how? Where do these originate? Why and how do they remain influential? • Which actors personify and enforce the formal rules and which, the informal norms? Are they competitive or collaborative with regard to addressing this issue? • Are there behaviours around the issue that are based in party politics or political competition, patronage relations, criminality or corruption, rent-seeking, nepotism, social exclusion, or some sort of political arrangement? • Do norms or logics emerging from economic practices – trade, ownership, investment, loans, taxation, etc. – affecting this problem?

			• Is there evidence of collective action (collaborative and coordinated behaviour by multiple stakeholders aimed at achieving a goal) around this issue? Why/not?
Here and Now	Who are the key actors and networks, how are they related, and how do they impact the problem? What is the nature of political competition and does it affect the problem?	• Who are the main stakeholders currently and what are their various interests in this issue? • What influence do they have and what characterises their actions? • Who benefits from the status quo and how? • Which actors are likely to be supportive or opposed to reform? • Does the issue have a high profile in national or local politics, and why? Is it affected by political competition? • How does the government view and react to the issue?	• Which recent events and key trends are having an impact on the problem? How/why? • Which actors are central to the issue or problem at the moment? Which interests do they represent? How do they derive their authority? How did they obtain/retain power? • How do the key actors use their influence? What influence have they (to do what)? Are they accountable to any one/group? • Which national- or sector-level actors take an interest in the issue? How are those interests manifest? What influence have the actors, how do they behave, and what is their goal? • Do politicians influence the issue, how and why? What is their interest? How do they or their followers benefit? • Are major economic actors taking an interest? Who, why? And what is their involvement and their goals? • Are civic actors involved (e.g., religious leaders, chiefs, NGOs et al), how and why? • Has the problem become a partisan-political issue? Is it a campaign issue? How does that affect its resolution? • What is government's involvement with the issue? Is it promoting reform or not, how and why? • Are donors or other foreigners involved? How/why? What influence have they to drive change?
Dynamics	Which actors, networks, or socio-economic and political organisations and processes provide an avenue for change? What other elements of dynamism, actual or	• From which source might change logically emerge? • How is the nature, composition and strength of interest groups changing over time? • How can the influence of groups be expected to change in future and respond to particular events (e.g. upcoming elections, possible policy initiatives)?	• Which events are likely to create conditions within the existing context that are conducive of change? What will oppose this? • What are the likely pathways to change (e.g., economic growth, new leadership, institutionalisation of the law, collective action, etc.)? • Are there actors, reform coalitions or 'development entrepreneurs' interested in the issue? Are they empowered to act? Why/how? • Which interests oppose reform, and what benefits do those individuals/groups receive from the status quo? How empowered are they to resist change?

	potential, are present in the context that impact the issue/problem being studied?	• Are there any recent or current events that impact on the country's political economy generally or more specifically on the position or interests of particular stakeholders?	• Is the relationship between, and the influence of these pro- and anti-reform groups changing, how/why? • Are there likely future opportunities for reform? Why? Timing, actors, and openings? • Can foreigners (including USAID) contribute to changes with regard to this problem? How? What limits foreigners' influence? • Are there reasons why foreigners are reluctant to invest in reform processes? Are there sufficient USAID resources, and what risks does the agency face by funding reform actors or processes? • Are there events in neighbouring countries, in the region or globally that will hinder or enhance the chances of reform? • What entry points for change are likely to open up (e.g., additional funding, civil society activism, more responsive government, legal reform, policy changes, better-trained civil servants, etc.)? How/why? • What is the potential of collective action among stakeholders? • Is there a credible commitment for reform by the authorities? • Where do uncertainty about fixing the problem and complexity surrounding the issue come from, and how can they be addressed to reduce risk?