

Institutions for Inclusive Development (I4ID)

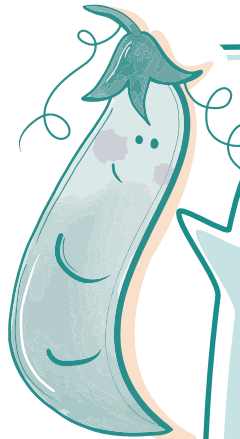
LEARNING TOOL

Political Economy Analysis (PEA) - April 2021

Project cycle tool for donor adaptive management pros

Institutions for Inclusive Development (I4ID) was a £11.6 million adaptive governance programme funded by the UK Foreign, Commonwealth and Development Office (FCDO) and IrishAid until 2020. The programme aimed to 'work with government, representative institutions, civil society and the private sector to strengthen institutions in Tanzania to become more inclusive and accountable so that economic growth and services bring more benefits to women, youth, and poor and vulnerable people'.

INTRODUCTION INTO THIS TOOL



The project cycle tool makes PEA your friend in delivering adaptive programmes. It provides key questions donors should ask of themselves and others to foreground PEA considerations at different points in the project cycle.

The aim is to support 'PEA in Practice' as part of adaptive management approaches to complex environments. The project cycle tool helps to make political economy an **embedded element** of structured process in strategic thinking and decision making as well as an **ongoing element** of donor engagement with content creation (information and evidence).

PEA Building Blocks:



Structures

the physical and social factors that shape the underlying systems including historical legacies, resource endowments, demography and geography.



Rules of the Game

the formal and informal way things are done including norms, and values that influence the behaviour of actors.

Formal rules are codified, monitored and can be enforced (legislation, regulations).

Informal rules rely on common consent or relations of power and authority (political networks, gender roles, patronage systems).

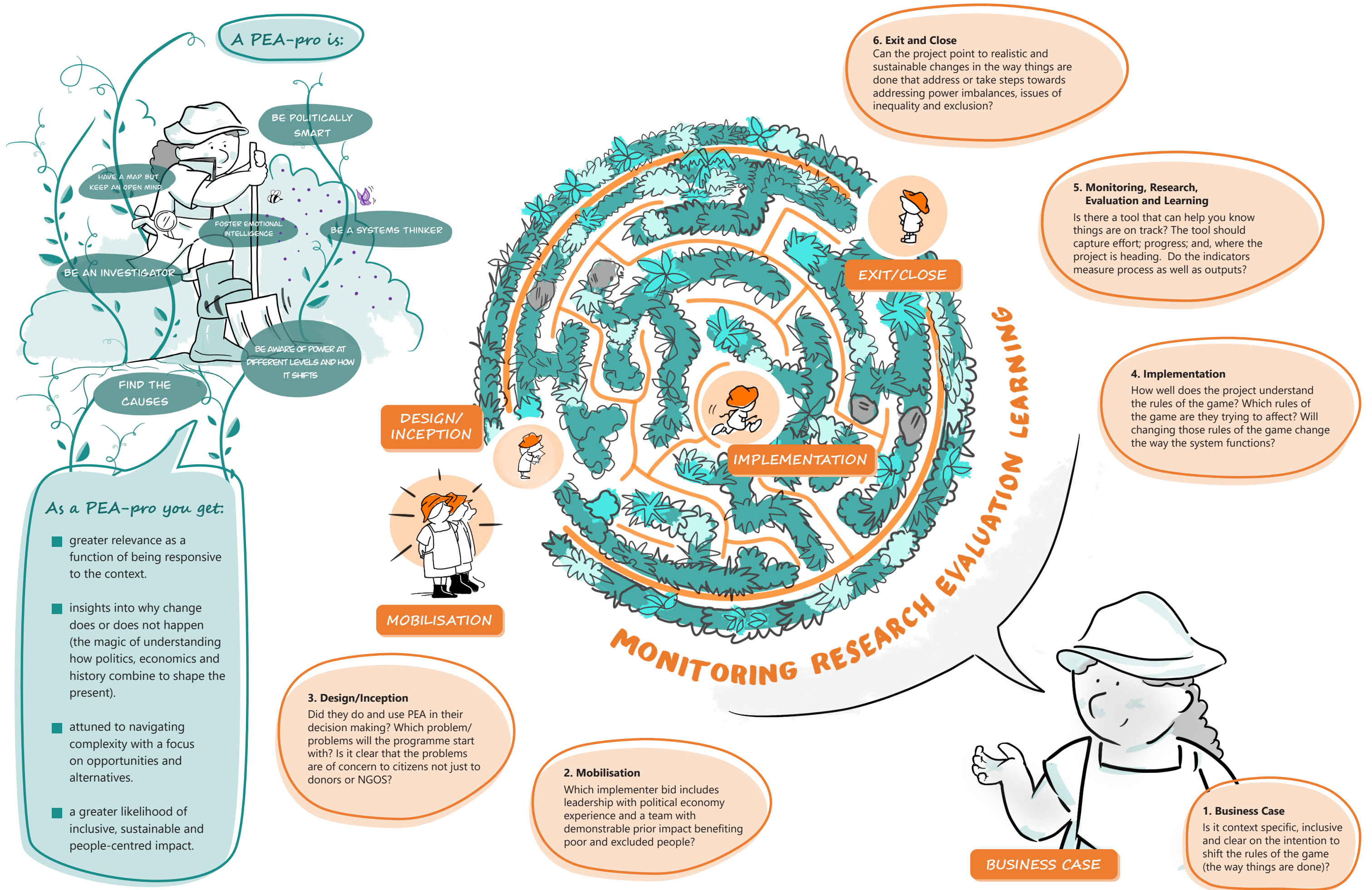


People and Organisations

individuals and organised groups that programmes partner with or seek to engage and influence in order to drive change.



causal relationships and feedback loops between building blocks. How change happens and the implications of change.

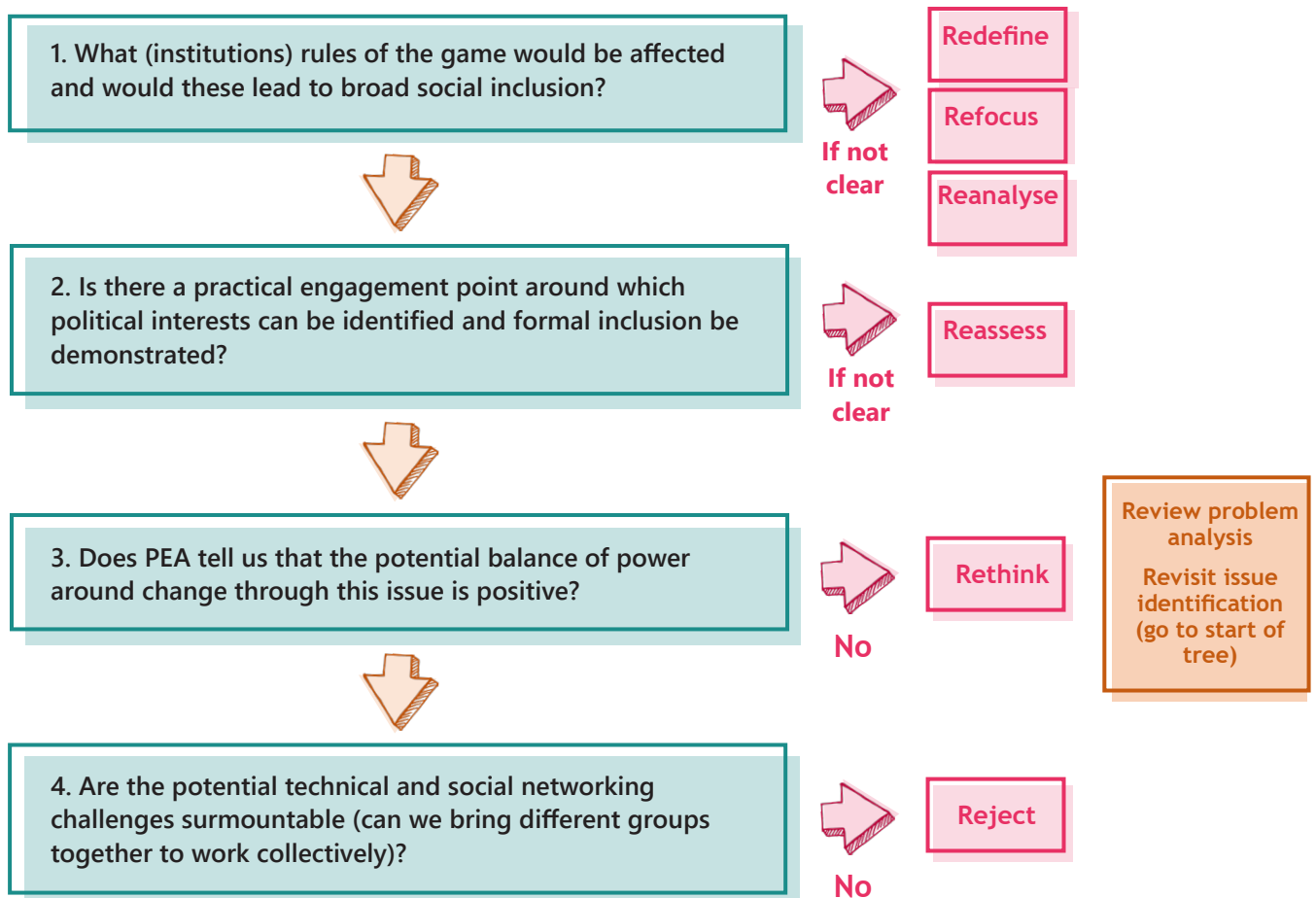


5 THINGS PEA PRACTITIONERS WANT FUNDERS TO KNOW

1. **Societies are not laboratories** and PEA is not an exact science. It accumulates information, hypothesises, tests and reassesses in response to shifts in the context. "There are no right answers" (Green, 2021).
2. **Context specificity is key.** Donors and programme teams need to understand the history that shapes who has power in the context and the way things are done.
3. **Best fit is NOT best practice.** Practice makes permanent not perfect – if you are right, that is okay; if you have misunderstood the context, you entrench bad practice or initiate unsustainable programming.
4. **Good PEA is gendered and inclusive.** It reveals insights around those with power and those without power.
5. **PEA is not just about flying in experts to write reports.** It is about an approach and how a team learns to and gets better at saying what they know, spotting unknowns, identifying known unknowns and then taking action.

SENSE TESTING USING A PEA DECISION TREE

If in doubt on programming, it can help to test the assumptions behind issue based concept notes or theories of action by asking:



This PEA project cycle tool draws on the extensive literature on PEA including different frameworks, how to guides and tools developed by aid agencies, think tanks and practitioners.