Political Economy Analysis
Sector Strategy Tool

Description: The tool draws on the World Bank’s *Problem-driven Governance and Political Economy Analysis* and ODI’s *Framework for understanding the political economy of sectors*, with additional insights from tools already being used in WaterAid and other NGOs for analysing sector-level issues.

Following WaterAid’s global strategy ambition of helping to reach everyone everywhere by 2030, the tool is centred on the challenge of achieving universal access in individual sectors. Its aim is to build on WaterAid’s technical knowledge of sectors to increase our understanding of the politics and relationships which shape how change happens.

Facilitation guidance:

When would you use it: For strategic reflection, when designing sectoral programmes or influencing plans. It helps to answer the question of how change happens at the sector level, and what can drive the changes needed to achieve universal access. Other tools or publications (e.g. Country Status Overviews, Service Delivery Assessments, or WASH-BAT reports) may have already identified sector bottlenecks; this tool should be used to increase understanding of the politics and relationships that underpin these bottlenecks. The tool complements the WaterAid Country Strategy Tool, and could be used alongside it, or as a stand-alone exercise.

What you will need: Handouts (page 3); flip chart paper; markers pens (x 3 colours); post-it notes or pieces of card (x 3 colours).

Timing: Ideally, a half-day workshop. At a minimum, two hours will be required – if attempting to complete in two hours, consider answering the Section 1 in advance and use the workshop time for detailed analysis (in Sections 2-4). Make sure you leave at least 15 minutes for Section 5 (“What next?”).

General guidance: Encourage people to think analytically about how change happens. The core questions in each section outline the topics and concepts that need to be discussed; the discussion points will prompt people to think about analytical concepts such as incentives, interests, and ideas. However, the discussion points are not intended to be definitive, rather suggestions to guide your analysis. Throughout, encourage people to try and draw links between the sections (i.e. how do country characteristics link to power relations, etc). Before beginning the workshop, decide how the analysis will be documented (detailed report, briefing note, etc), and who will be responsible for this.

Knowledge gaps: It is likely that there will be some questions that the group will struggle to answer. Minimise this risk by planning in advance to ensure you have a good range of knowledge and experience in the workshop (including external guests, if appropriate). Throughout the workshop, encourage people to be honest about what they don’t know. Challenge people on facts and assumptions, and keep a clear list of where more information is required. Encourage people to think about how they can find this information (e.g. is there someone we can speak to, or a publication we can read?).
1. Where are we now?
Describe the most important features of the sector’s political economy.
- The purpose of this section is to set the scene and describe the key features of the sector which will be analysed in more depth in sections 2-4.
- Create two tables as follows, dividing the features into ‘actors’ and ‘factors’, and complete the description columns with the most important (f)actors:

<table>
<thead>
<tr>
<th>Description of actors</th>
<th>Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>e.g. Ministry of Finance</td>
<td></td>
</tr>
<tr>
<td>e.g. Service providers</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description of factors</th>
<th>Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>e.g. Policy</td>
<td></td>
</tr>
<tr>
<td>e.g. Ways of working</td>
<td></td>
</tr>
</tbody>
</table>

- The core questions and discussion points for this section provide a guide as to what should be included.
- In case you aim to have a two hour workshop, this section should be prepared in advance to allow time for more in-depth analysis in subsequent sections. If prepared in advance, the first step of the workshop should be checking if anything important has been missed.
- The information required may be available in the WaterAid Country Programme Strategy or external publications, such as Country Status Overviews, Service Delivery Assessments, or WASH-BAT reports.
- Make sure you include WaterAid as an actor!

2. How did we get here?
Analyse the most important features of the sector’s political economy.
- The purpose of this section is to analyse the features identified in Section 1 (actors and factors). If you have identified a long list of features, select the most important 10-15 features to focus on (ensuring you have time for a detailed analysis of each).
- Following the core questions, and drawing on the discussion points, complete the Analysis column for both actors and factors:

<table>
<thead>
<tr>
<th>Description of actors</th>
<th>Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>e.g. Ministry of Finance</td>
<td>e.g. Priority given to fostering economic growth in urban areas.</td>
</tr>
<tr>
<td>e.g. Service providers</td>
<td>e.g. Dominant political ideology promotes private sector service provision</td>
</tr>
</tbody>
</table>

3. What does this mean for universal access?
Map the sector’s political economy around the goal of universal access.
- The purpose of this section is to create PEA Map showing the sector’s main political economy features and identify the key relationships between them.
- Using flip chart paper, a large wall or desk space, and cards/post-it notes, follow the steps (a) to (d) to create a PEA Map of the sector. The map should be centred on the goal of universal access.
- Identifying the relationships between features is an important part of this process. Three types of relationship have been suggested: ‘working relationship’, ‘power over’, and ‘influence over’. This shouldn’t be seen as a definitive list, and more types of relationship could be added if required (e.g. you could also use solid lines for official/formal relationships and dotted lines for informal/personal relationships).
- Don’t only map the relationships between actors. It’s also important to examine the relationship between different factors (e.g. do country characteristics have
influence over ways of working?) and between factors and actors (e.g. do ways of thinking have influence over actors’ interests? And do other actors have power over ways of thinking?).

4. **Where can we go now?**

   Analyse the political economy map and plot a route towards universal access.
   - The purpose of this section is to analyse the relationships described in section 3, and to use this analysis to better understand how we can work strategically to make change happen, with the ultimate goal of achieving universal access (e.g. what should be prioritised; how should interventions be sequenced?).
   - While the analysis in section 2 treats features individually, the analysis in this section should focus on relationships and linkages between features, considering issues such as relative power, influence, coalitions and networks.
   - Using the PEA Map as a visual aid, work through questions (a) to (e) and draw on the discussion points to analyse the most important relationships in the sector.
   - Following this, move onto question (f) to discuss how WaterAid could work more strategically and interact with these relationships; taking advantage of positive relationships or minimising the impact of negative relationships.
   - Try to identify different entry points and pathways of change, and discuss the pros and cons of each strategic approach.

5. **What next?**

   In this final section, encourage people to reflect on the exercise and agree next steps. Ask the following questions:
   - What have people found useful? Have any obvious lessons been learned?
   - Have any of our original assumptions or ideas about how change happens been challenged? If so, will this have any implications for the way we work or the way we frame issues and advocate for change?
   - What are the most important knowledge gaps? How can we find the information needed? Who will be responsible for this, and by when?
   - Which other tools may be helpful to plot a more detailed path forward (e.g. sector strengthening tools, human rights based approach tools, inequalities checklist)? Who will be responsible for organising this?
   - Based on lessons learned from the analysis, are there any small steps that can be made in the short term to improve our strategic approach? Who will be responsible for this, and by when?
   - Are there any long-term implications for strategy? Who will be responsible for taking forward the lessons learned from the analysis?
   - How will the analysis be documented, and who will be responsible for this?
4. Where can we go now?
Analyze the political economy map and plot a route towards universal access:
- The nature of relationships
- Coalitions
- Decision makers
- Power relations
- Making change happen

3. What does this mean for universal access?
Map the sector’s political economy around the goal of universal access:

1. Where are we now?
Describe the most important features of the sector’s political economy:
- Sector statistics
- Main actors
- Legislation and policy
- Country characteristics
- Ways of working
- Ways of thinking

2. How did we get here?
Analyze the most important features of the sector’s political economy:
- Power
- Interests
- Constraints
- Historical legacies
- Ideas
- Inequalities
- Technical characteristics
- Blockages and drivers of change
# Core questions and discussion points

## 1. Where are we now?
Describe the most important features of the sector's political economy.

- **a)** What are the key sector statistics, levels of access, and national targets?
- **b)** Who are the main actors in the sector? What are their respective roles and responsibilities? Are there any important actors from outside the sector (Ministry of Finance, cabinet, President)?
- **c)** What legislation and policy influence the sector?
- **d)** Do any country characteristics play an important role in the sector, and how?
- **e)** What formal ways of working influence the sector?
- **f)** What informal ways of working influence the sector?
- **g)** Which ways of thinking influence the sector, and how?

## 2. How did we get here?
Analyse the most important features of the sector's political economy.

- **a)** How much power does each actor have? How do power relationships influence service delivery and policy processes?
- **b)** What are the main short- and long-term interests of each actor?
- **c)** What are the constraints faced by each actor? How do they influence service delivery?
- **d)** How do historical legacies shape the sector (e.g. previous legislation or reform initiatives)?
- **e)** Why do certain ideas have more influence than others? Whose interests are served by dominant ideas?
- **f)** Are there any inequalities in service delivery or access to services?
- **g)** How do technical characteristics of the sector influence actors' motivations?
- **h)** What are the main blockages and drivers of change? How has the sector been evolving?

### Discussion points:
- **Actors:** consider government, service providers, service users, private sector, civil society, social movement, NGOs, donors.
- **Legislation and policy:** consider sector-specific as well as other relevant national legislation or policy (e.g. budget policy).
- **Country characteristics:** long-term country-level factors, such as: geography, climate, social structures (e.g. gender inequality), political systems, economic features, etc.
- **Formal ways of working:** consider decision-making processes, sector financing, appointment of officials etc.
- **Informal ways of working:** how things work in practice (e.g. deference to authority, patronage, influence of civil society, etc).
- **Ways of thinking:** consider dominant ideologies (e.g. market vs state-led approaches), national/international discourse, cultural beliefs, religion, etc.

- **Power:** is power 'visible' (formal decision making processes, financial); 'hidden' (informal ways of working); or 'invisible' (norms and beliefs).
- **Interests:** party politics, securing funding, career development, meeting targets, making profit, formal accountability mechanisms etc.
- **Constraints:** Is actors' behaviour shaped by financial or organisational limitations, formal laws or policies, informal expectations (e.g. patronage networks), or embedded social norms (e.g. views around social hierarchy)?
- **Ideas:** who has the power to shape ideas? Which ways of thinking promote or constrain potential for change? Do different actors frame issues in different ways?
- **Inequalities:** are any social groups (e.g. ethnic groups, those with disability) or geographic areas excluded from services? Are there significant gender inequalities?
- **Technical characteristics:** for instance, does the visibility of certain tasks influence actors' incentives (e.g. new infrastructure vs. ongoing maintenance)? Or does the level of demand for a service shape incentives?
3. What does this mean for universal access?

Map the sector’s political economy around the goal of universal access.

(a) From the discussion in Section 1 and 2, identify the most important features of the sectors political economy.
(b) Discuss whether each feature has a positive or negative impact on the goal of universal access. Write the positive features on a green card, negative features on red, and use yellow for those that could be positive or negative.
(c) Position the features around the goal of universal access; those with direct influence in the inner ring and those with indirect influence in the outer ring.
(d) Identify the key relationships between features; draw arrows between the cards to show working relationships, power relationships, and lines of influence. These arrows should be colour-coded to highlight the nature of different relationships (see diagram opposite).

4. Where can we go now?

Analyse the PEA Map and plot a route towards universal access.

a) What is the nature of relationships between the key actors?
b) What is the relationship between actors and key factors (e.g. legislation and policy, country characteristics, ways of working, and ways of thinking)?
c) Who are the key decision makers? What influences their decisions?
d) Are there any existing, or potential, policy coalitions?
e) How do power relationships influence actors’ ability to bring about change?
f) How can we shape our strategy to help make change happen?
  i. What needs to change (e.g. is it more strategic to focus on sector strengthening or human rights)?
  ii. Who has the power to bring about change?
  iii. How can we most strategically influence the change process?
  iv. Who are the main winners and losers from change? Who is likely to oppose change? What are the risks of different strategies?

Discussion points:
- Key actors: is the basis for the relationship historical, financial, or pragmatic? What are the implications of this? Are key relationships conducted through official channels or personal connections?
- Key factors: how do these relationships influence actors’ interests? Do they create constraints? Are there conflicts between competing ideas and interests? Would changing our messaging or framing of issues help ease this conflict?
- Decision makers: who are they influenced by? Who are they accountable to? What or who shapes their interests and ideas?
- Coalitions: how are organisations and institutions working together for change? Is there potential for greater engagement?
- Power: is power exercised through official channels or personal relationships? Does this encourage or inhibit positive change?
- Making change happen: to what extent do the ideas and interests of key actors align with WaterAid’s? Do we have the ability to influence them directly? Are there avenues to work through other partners to achieve greater influence? Are there any obvious entry points or windows of opportunity? How do our own capacity and positioning influence strategic choices?