

Towards a better understanding of NDC ambition

Lessons from political economy analysis in development support

Working paper

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Cover Summary

This working paper discusses political economy analysis (PEA), a structured approach to analysing sector politics which has been used and studied especially in the realm of development support. We investigate whether looking at sector transitions through a PEA-lens will allow us to see which political factors are at play when determining ambitious climate policy. Understanding how these political dynamics determine which outcomes are feasible and which are not, will contribute towards a better understanding of NDC ambition.

Authors: Xander van Tilburg and Sacha Minderhout

Contact: xander.vantilburg@tno.nl

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Contents

1.	Introduction.....	1
2.	Political economy analysis (PEA).....	2
2.1.	What is political economy analysis and why is it relevant?	2
2.2.	Short history of developing PEA approaches	3
2.3.	Four common areas of inquiry	4
3.	PEA experiences in development cooperation	5
3.1.	Purpose and scope	5
3.2.	Methods and tools	6
3.3.	Effort level and expertise	7
3.4.	Political sensitivity	7
3.5.	Effectiveness.....	8
4.	Towards better understanding of NDC ambition	9
	References.....	10

1. Introduction

Reducing greenhouse gas emissions (GHGs) is urgent: the Intergovernmental Panel on Climate Change (IPCC) finds that in order to stay well below 2 degrees warming and avoid dangerous climate change, global emissions need to reach net zero by 2050 or shortly thereafter. We have three decades to decarbonise all sectors of the economy. Are countries ambitious enough in their mitigation pledges? How likely is it that governments will be able to turn their climate ambition into real action in the various sectors of the economy? An often-heard answer is that we have the technology, but that it depends on political will.

The first round of Nationally Determined Contributions (NDCs) to the Paris Agreement was important to establish a foundation, but the total of the pledges in the NDCs is not sufficient to reach the Paris Agreement's goal. The Paris Agreement has a bottom-up ratcheting mechanism, in which governments are expected to update their NDC every five years in a way that 'represents a progression' and reflects the highest possible ambition. The idea is that 5 or 6 rounds of stocktaking and ambitious NDC updates until 2050, will eventually close the gap between the necessary and committed emission reductions.

In order to establish highest possible ambition, we will need to take a closer look at questions such as what needs to be done, by whom, and when? Who is impacted, who will pay for it, who are likely winners and losers, and how do we get it done? It is these factors that determine how ambitious and credible NDC pledges are. Perhaps unsurprisingly, assessing how ambitious and credible NDC pledges are, based on the information provided in the NDCs alone, is difficult. Moreover, existing assessments tend to focus on analysing countries' targets as well as self-reported emissions and policy data, and often lack critical judgement on feasibility or ambition.

Many factors determine 'highest possible ambition', such as resource endowments, technological innovation and cost developments, historical track record of reducing emissions, and ability of relevant stakeholders to reach a compromise and act on it. The current state of the economy and recent events will affect political will: addressing climate change will be higher on the political priority list when weather-related disasters are in the news, and lower in times of economic stagnation and austerity measures.

A better understanding of the political dynamics in the sector will allow for a more realistic assessment of which actions and pathways are feasible. Sector transitions are not only technical or economic challenges, but also involve political processes regarding stakeholders who might gain or lose income and opportunities as a result of choices made; this holds true for both wealthy and powerful elites and for the wider public who might need to make personal sacrifices.

Stakeholders, and how context shapes their behaviour, take a central place in the analysis of politics. This requires quite a different approach to the tools and approaches most commonly used for Long Term Strategy (LTS)/NDC planning and implementation. Models for emissions accounting and (optimisation) projections are focussed on stocks and flows of capital, technology, or emissions. At the same time, analysis into whether and how the effectiveness of mitigation action depends on political dynamics is largely absent.

This paper discusses political economy analysis (PEA), a structured approach to analysing sector politics which has been used and studied especially in the realm of development support. We investigate whether looking at sector transitions through a PEA-lens will allow us to see which political factors are at play. Understanding how these political dynamics determine which outcomes are feasible and which are not, should give us a better understanding of NDC ambition.

2. Political economy analysis (PEA)

Since the late 1990s, development assistance agencies have introduced diagnostic tools for analysing political economy dynamics in their partner countries. Donors realised that technically feasible and properly funded projects were often not leading to the desired reform because of a lack of political will. In order to understand what is behind this catch-all term of ‘political will’, the first step for the development agencies was to acknowledge that economic development and governance processes are inherently political, and that understanding the political dynamics could increase the effectiveness of development interventions and programs (Poole, 2011; Hout and Schakel, 2014; Hudson and Leftwich, 2014).

2.1. What is political economy analysis and why is it relevant?

Political economy is the field of study concerned with distribution and contestation of power and resources and how that affects development outcomes in specific countries and sectors (Poole, 2011). Political economy exists at the intersection between political science, sociology, and economics, and aims to help our understanding of *why* things change, rather than how. It looks at power and interests, and how dynamics between actors is shaped by incentives and constraints¹.

Political Economy Analysis (PEA) is a diagnostic approach to understand the political economy of a specific situation. It is the attempt to find out what is really ‘going on’ in a situation, who influences change, and what lies behind the surface of the immediate problem, for example whether competing interests exist. PEA helps to “unpack all the issues previously packed into the ‘political will’ box, so that we can consider the factors to which we must adapt and those that we can try to influence and change.” (Whaites, 2017). PEA is not based on a single theory, but does share a set of concepts to explain how political and economic development occur (The Policy Practice, 2012).

PEA presents tools and approaches to access an additional level of insight into the dynamics of reform and “how political actors interact and jostle not only with each other but also against, around and with the structural and institutional context they operate in, using the resources and opportunities it provides” (Hudson and Leftwich, 2014).

Box 1: Agency and institutions

The two central concepts in PEA are *agency* and *institutions*, each of which has a somewhat different meaning in political science than in everyday language. In clarifying these terms, it is good to know that there is a tendency among academics to picture the political space as a game: a bargaining process with participants and different possible outcomes.

The term *agency* is understood as the capacity of individuals or groups to act independently and make their own free choices. “Actors, also called stakeholders or interest groups, [...] include those individuals or organisations that support reform as well as those that oppose it; individuals or organisations that engage with the issue as well as those that ignore it; and individuals or organisations that benefit from potential reforms and those it will adversely affect. Actors will vary in their ability to exercise agency, in large part because of the particular balance of power relations at play (economic, social and political)” (Harris, 2013).

¹ In fact, political economy has a long history, dating back to the 18th and 19th century classical economists such as Adam Smith and David Ricardo

The term *institutions* in everyday speech is understood to describe organisations founded for a specific religious, professional, or educational purpose. In political science however, the term institution goes beyond organisations and also includes all formal and informal ‘rules of the game’. These rules mediate political and economic interaction and can include, for example, laws and regulations, social and cultural norms and expectations, patronage networks along social and ethnic ties, budgeting processes, election rules, etc. (Harris, 2013; Poole, 2017; Whaites, 2017).

2.2. Short history of developing PEA approaches

In the past two decades, development organisations designed their own practical PEA approach for use across different country and sector contexts. The early frameworks for conducting PEA were primarily focused on ‘good governance’, which was the dominant entry point for development assistance at the time in the late 1990s. Among the first to be used in practice was the Strategic Corruption and Governance Assessment (SGACA) used by the Dutch government to train their embassy staff in their approach to corruption and governance. It was a practical guide to help structure and analyse existing information, focusing on formal and informal aspects of governance in a context, and to discover non-formal practices and relationships, and their link to institution (Hout and Schakel, 2014; Hazelberg, 2009). The European Commission had a Sector Governance Analysis Framework developed to gain insight into reform-readiness; their four-step approach builds on the Governance Evaluation 2006 and aims at improving the capacity to analyse the situation of governance in a sector (EC, 2008). The Swedish International Development Cooperation Agency (SIDA) introduced the Power Analysis tool, to bring an understanding of power into development cooperation in the stages of analysing context, developing strategy, designing a programme, selecting partners or delivering results (SIDA, 2005). Perhaps the most widely recognised early framework is the UK Department for international Development’s (DFID) Drivers of Change model, which was used in the early 2000s and formed the basis for later PEA frameworks. It helps DFID staff to “Identify the dynamic elements which drive politics, unpacking the notion of ‘governance’ as a set of institutions, and intends to link the political framework with the operations of development agencies” (Warrener, 2004; DFID, 2005; DFID, 2009).

The next generation of PEA tools and methods, developed in the 2000s, broadened their scope from governance to development assistance in general, and they moved from being (merely) descriptive to offering problem-solving capabilities with direct operational relevance. Three prominent contemporary frameworks for PEA are the Problem-Driven Governance and Political Economy Analysis developed by the World Bank (WB), the Problem-Driven Applied Political Economy Analysis Framework developed by the Overseas Development Institute (ODI) for DFID, and the United States Agency for International Development (USAID) Applied Political Economy Analysis Framework. The World Bank has built up over a decade of experience with their approach, which was developed as a good-practice framework for governance and political economy analysis to “systematize approaches to governance and political economy analysis and to provide readily available orientation for World Bank task team leaders and teams” (Fritz *et al.*, 2009; Poole, 2011; Fritz *et al.*, 2014). DFID has built on their original tool for the problem-driven PEA framework, which presents a clear process diagram that “helps practitioners and researchers to use political economy analysis to understand and respond to practical problems.” (Harris, 2013; Harris and Booth, 2013). USAID developed Applied PEA as a problem-focused methodology intended “to be used by Mission staff to inform the design of aid interventions at any phase of the USAID program cycle and at any level of effort.” (USAID, 2014; USAID, 2016; USAID, 2018).

2.3. Four common areas of inquiry

When comparing three widely applied frameworks for PEA, those by used by the World Bank, DFID, and USAID, we observe that the approaches use similar concepts yet with minor differences in terminology or focus. Conceptual models for PEA frameworks are all centred around actors, and designed to analyse how actor behaviour and interaction is shaped by structural factors and the (perceived) rules of the game, and how that affects change processes. This allows us to visualise the toolkit for PEA practitioners as a set of lenses through which they can look at a situation to analyse the political dynamics and how they may affect outcomes. In the case of NDC ambition raising this would be the sector, or a specific theme within the sector.

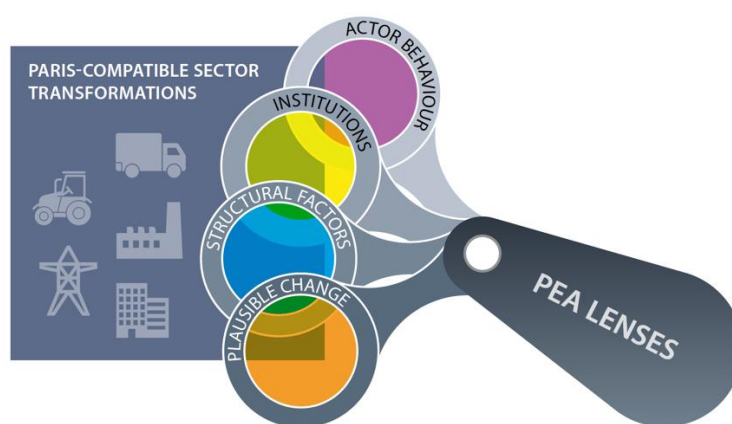



Figure 1: Four PEA lenses for different areas of inquiry

Actor behaviour concerns the motivations, incentives and relationships that shape responses to events and balances of power between actors. Each person or group will weigh ‘pros and cons’ of issues and is seldomly driven by material incentives alone: beliefs and ideas can also be powerful motivators (Whaites, 2017). Tools used for analysing actor behaviour include mapping of stakeholders (both individuals and organised groups) and their relative influences, power relations, and positions in proposed reforms. Relevance for sector fitness: What kinds of actor behaviour (incentives and constraints) make sector transformation more or less likely? Who stands to win and lose from reform? How can actors impede, block, or promote reform?

Institutions represent formal and informal rules of the game, and organisational structures, that constrain and shape actor behaviour. Institutions are not static and more susceptible to deliberate change than structural factors. Institutional analysis involves mapping of government ministries and agencies and their interaction, existing laws and regulations, and policy processes, but also cultural and social norms and traditions that shape how organisations and transactions are structured. Institutions tend to be more susceptible to change than structural factors. Booth *et al.*(2016) in its simplified schematic, uses ‘systemic factors’ to cover both structural factors and institutions. Relevance for sector fitness: Which formal and informal institutions make sector transition more or less likely?

Structural factors can be relevant in shaping and constraining actor behaviour, but these are outside the direct control of the actors, are fixed, or change only very slowly. Structural factors can include geographical features and natural resource endowments, economic and historical legacies, border arrangements and access to trade routes, demographics and urbanisation, but also changes in commodity prices or external geopolitical threats. USAID, in their PEA approach, calls these foundational

factors. Tools used for a mapping of structural factors include analysis of resource availability, patterns of (sectoral) investments, human and technology capacity, social issues and trends, technological and financial barriers, and historical analysis. Relevance for sector fitness: Which structural factors (outside actors' direct control) make sector transformation more or less likely?

 **Plausible change** looks at the reality of change and what actions can be proposed in support. It is also called 'dynamics' or 'uncertainty in change processes' (USAID, 2016; Booth *et al.*, 2016). This component links the other three: it considers how actors behave in response to structural factors and institutions, and what this means for the feasibility of change. Tools for analysing plausible change include combining the three previous components and analysing historical legacies and prior experience with reform, social trends and forces, and how these shape stakeholder interaction² (Poole, 2014). Relevance for sector fitness: Do feasible (more or less ambitious) alternative transition pathways exist? How likely is change?

To illustrate how these four areas of inquiry could feature in the findings of a political economy analysis, consider for example a study by Baker *et al.* (2014) who analyse the struggle over competing energy visions, infrastructures and political agendas in South Africa, with the aim of generating insights into the governance and financing of clean energy transitions. They point to networks of economic political power around provincial government councils (cf. actor behaviour and rules of the game), apartheid as a historical legacy that defines trajectories and lock-ins (plausible change), and the interplay between internal drivers and exogenous factors (actor behaviour and structural factors).

3. PEA experiences in development cooperation

Political economy analysis has proven to be a useful tool for understanding how to improve development support by taking the political context into account (Fritz *et al.*, 2014; Poole, 2011; Booth *et al.*, 2016). Starting from actors involved in a transition rather than emissions, technologies, and policies, political economy analysis could provide a structured way to include political dynamics. This could support Paris-compatible sector transformations, in a way that many existing monitoring and reporting approaches cannot. Although political economy analysis can provide significant new insights into the plausibility of reform, it is no panacea. This section looks at the effectiveness and lessons learned based on experiences of applying PEA in support of development assistance, at the effort level and expertise requirements of a typical PEA, and at issues around the sensitivity of results.

3.1. Purpose and scope

Most documented frameworks and studies of the past have been developed in the context of improving the effectiveness of government-to-government support. In an attempt to identify different **purposes**, the Effective States and Inclusive Development (ESID) Research Centre compare the subject matter of the political analysis to a game with winners and losers. This game can be learned, won, or changed. First, an *agenda setting* analysis is meant for learning the game and showing that there are different strategies. It is supposed to show the current situation and establish a shared language and understanding of the context, not necessarily to give direct guidance for action. The USAID Applied PEA framework is used for such analyses: "allows USAID officers to assess causes and dynamics of national decision making... to understand reasons

² The World Bank approach doesn't explicitly include change in the model, but does recognise interactions between 'technical and economic analysis of feasible solutions' and 'political economy analysis' (Fritz *et al.*, 2014: fig1.1).

why a particular development problem is resistant to reform (USAID, 2016). Second, the *problem-solving* variety aims at ‘winning the game’, for example by designing a more effective and efficient policy (support) package. This extends the agenda setting aim to look forward and identify which pathways for change are plausible in a certain context, even if these are not necessarily least-cost from a societal point of view. Third, an *influencing analysis* is aimed at changing the dynamics (and/or rules) of the game and is described as being the most sensitive and most difficult to conduct. For example, political parties might conduct a PEA for the purpose of influencing in preparation for an election campaign, or corporate strategists might use it for increasing a market share.

Existing political economy analyses can be used on four major **scope**-levels. At its narrowest, the scope of the analysis is a single project or a well-defined *problem* or issue. *Sector* level analysis is used to identify specific barriers and opportunities across an entire sector (Edelmann, 2009). *Country* level analysis is used to get a general sense of the national context (DFID, 2009: Fig1). The fourth level of analysis covers *global or regional* analysis, which can be used for international markets, institutions, or networks. There are other, more subtle decisions to be made about the scope of the analysis, for example the balance between descriptive analysis to increase understanding and the problem-orientation for very specific purposes, and the level of effort allocated to the analysis, from scoping to definitive study (Harris and Booth, 2013).

3.2. Methods and tools

The primary source of information for a PEA consists of insights and perspectives collected from multiple interviews, often face-to-face rather than in writing, often under condition of confidentiality. Political economy analysis results are never collapsed into a dashboard of one or more headline indicators, but always captured in storylines. To safeguard quality, PEA practitioners advocate the use of triangulation and using pre-established pattern to structure analysis. Triangulation in this context means that information always needs to be cross-checked with different sources to ensure reliability and validity (Harris and Booth, 2013).

Political economy analysis uses a wide variety of tools familiar to social sciences such as stakeholder analysis, analysis of winners and losers, institutional and governance analysis, historical analysis, analysis of rents, and risk assessments. Despite the fact that these tools can play a valuable role in PE assessments, Poole (2011) warns that “none of these in itself is a PE assessment [...] using any of these tools in isolation risks missing important elements [...] PE assessment is more systematic and comprehensive”.

In recent years there has been some pushback on the elaborate problem-solving PEA frameworks, arguing that the focus has moved too much from understanding the political dynamics to techno-economic problem solving (Fisher and Marquette, 2014; Hudson and Leftwich, 2014). Three recent practical guides to political economy analysis in development take this criticism on board: Instead of professing a specific method or tool, all three call for a pragmatic approach to introducing politics and political analysis in planning and everyday operations. The ESID, in their information note ‘Making political analysis useful: adjusting and scaling’ argues that political analysis can and should be tailored to its different goals, and that it can be designed with very different levels of effort and detail in mind; it proposes a so-called ‘fractal approach’, which follows a common set of questions and statements across various forms of engagement, and starts small with the option to iteratively become more thorough and detailed (ESID, 2015).

In ‘Everyday Political Analysis’ (Hudson *et al.*, 2016) the authors reduce PEA to a minimum core that helps the user think politically in everyday life: it provides a condensed checklist of two times five questions “to help conduct quick political analysis and make this an accessible part of ordinary business practice”. The

'Beginner's Guide to Political Economy Analysis' (Whaites, 2017) "aims to offer an entry-point for all those who want to use PEA in their own work".

3.3. Effort level and expertise

The effort level of conducting PEA varies across approaches, from a 10-question guide to 6-month team effort. PEA cases in literature are mostly (very) resource-intensive, but an incremental approach seems possible and is even encouraged.

The World Bank Problem-driven PEA can be conducted at different effort levels: Poole (2011) presents a table with different options, from a desk study (10k USD, 2 staff weeks, 1 month) to a more elaborate analysis (100k USD, 15-20 staff weeks, and 6+ months). In their PEA Field Guide, USAID recommends forming a team of up to 9 people (including external experts) and plan for a minimum of 20 weeks. "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" (USAID, 2014).

Not all methodologies are as resource-intensive, as is illustrated by the PEACH methodology developed by the Institute of Development Studies (IDS) to identify who drives and who slows low-carbon policies in the rising powers. The methodology is tailored towards identifying a rapid political economy diagnosis and is applied to four countries of the BRICS (Schmidt, 2014). Everyday Political Analysis (Hudson *et al.*, 2016) makes a point of reducing the PEA to a minimum and presents a ready-to-use 10-question checklist to clarify actor's political motivations. The value of conducting a 'light touch' analysis is underscored by Barnett (2014): "The review of the literature shows that considerable progress can be made through 'mere' description: identifying who the key actors are and asking them about their interests and their perception of the 'rules of the game'". The 'Beginners Guide to PEA' (Whaites, 2017) suggests that an incremental approach is useful, starting with a one-hour conversation, which can be extended to a one-day workshop, and eventually to a one-month consultancy assignment. ESID (2015) also discusses the merits and possibilities of a scalable approach.

Access to intimate knowledge of the sector context and drivers of decision making is crucial for any PEA. Ideally a PEA team combines international and local expertise, and covers skills such as political economy expertise, strong country knowledge, access to networks of in-country informants, language skills, sector knowledge, and writing skills (Harris and Booth, 2013). "Typically, political economy studies have involved employing one or more external consultants, including an expert in using political economy analysis in a development context, and someone with excellent local knowledge and contacts. One of the two experts should also have excellent moderation skills" (Unsworth and Williams, 2011).

3.4. Political sensitivity

Most of the applied PEA literature deals with sector or issue-specific analyses, done by development agencies in order to improve effectiveness of their support and interventions. The audience in these cases is typically restricted to within the organisation and analyses are not made public (and not shared with partner country governments). In a review of the DFID Drivers of Change and SIDA Power frameworks, the Organisation for Economic Co-operation and Development (OECD) finds that studies have been used to promote internal learning rather than dialogue with external stakeholders and are mainly been used by those who commissioned them. Sharing results can be uncomfortable and potentially challenging, because they question fundamental assumptions about how development happens (OECD, 2005). This is confirmed by the World Bank experiences: "reports can raise sensitive issues such as a) the way in which few individuals or

groups control large swaths of economic activity in a country or in a certain sector; **b)** the fact that politicians use public funds and channel public contracts to pay back those supporters who funded their election campaigns; and **c)** the fact that politicians have limited incentives to pursue improvements in service provision because they rely on ethnic loyalties as their main electoral strategy” (Fritz *et al.*, 2009). Collaboration on PEA studies with governments in partner countries can be difficult at times as “governments are generally reluctant for studies of this nature to be carried out, especially since they shed light on existing power structures and why certain policy decisions that are made might be in the best interest of the population” (Beuran *et al.*, 2011).

Beyond the potential fallout of publishing and sharing controversial results, there are two practical risks related to sensitivity. First, analysts may hesitate to interview persons directly affected by contentious issues and avoid difficult or awkward questions. This can lead to an over-reliance on perspectives from those with whom it is easiest to talk (e.g. other donors, NGOs etc). Whaites (2017) suggests that in order to have frank discussions, the analyst will need to reveal the purpose and scope of the PEA. Second, ownership is an important development principle, and conducting a PEA in a partner country without sharing the results runs counter to that principle (Fisher and Marquette, 2015).

There is no real solution to the challenges that politically sensitive results bring. However, it is key to be specific and clear about the actors and their role in the reform. It can be useful to refer to actors as 'winners and losers' rather than 'good guys and bad guys'. “The primary purpose of PEA for development effectiveness is not to 'name and shame'... rather it is to understand the underlying drivers that shape the incentives of the decision makers...much can be learned about these underlying drivers without delving into who did what to whom and when” (Fritz *et al.*, 2014).

3.5. Effectiveness

Over the years, practitioners and researchers have reflected on the effectiveness of PEA and the fact that its success and spread seem limited. “While PEA is a useful tool of analysis that can offer a different angle on a problem or issue, it is not meant to be more or less than that. It is not a magic bullet and cannot provide quick fixes or readymade answers to what are essentially complex development problems.” (Rocha Menocal, 2014). A review of the ODI Politics and Governance program observes that staff were generally interested and had no difficulty to break out of the technocratic mindset, but that the uptake of PEA outcomes remains difficult and the team concludes that “development assistance that is fully informed by understanding of political economy remains [...] an ‘almost revolution’ (Booth *et al.*, 2016).

An early review of Drivers of Change and SIDA Power Analysis finds that the move from high-level analysis to **operational relevance** for strategies and programmes is not always obvious (OECD, 2005). A World Bank briefing on practical lessons from using PEA in Zambia notes that “While many PE studies do a reasonably good job of describing the operating environment and identifying winners and losers, most of them fail to meet the “so what” test by making practical recommendations on a way forward” (Beuran *et al.*, 2011). This is confirmed by findings from other reviewers: “making a jump from more technical approaches, based on standardised one-size-fits-all models of change, to more politically aware programming, grounded in local realities, has proven considerably more challenging in practice” (Rocha Menocal, 2014). Hudson and Marquette (2015) find that effectiveness is hindered by “everyday, practical issues that make uptake of PEA/political analysis and the overarching ‘thinking and working politically’ agenda difficult.”.

The use of political science **concepts and jargon** makes PEA methods and results less accessible to a broad audience: “Most PEA frameworks and training are written by governance people for governance people. They

often lack a language that non-governance staff can relate to [...] Sometimes the same words are used to describe very different things“ (Hudson *et al.*, 2016). This is in line with feedback received by the ODI Politics and Governance team that “political economy and governance concepts still needed to be much better expressed in ‘everyday language’. Another point they raised it concern that different meanings are given to widely used terms in different professional fields. Concepts like ‘governance’ or ‘institutions’, for instance, were understood differently in health and political science.” (Booth *et al.*, 2016).

Thinking politically is a key requirement for a successful PEA analysis. Some practitioners warn against too much focus and rigidity around tools and methods, because in the end the main aim is to ‘think politically’ instead of simply applying a tool. Analysing past PEA performance, Hudson and Marquette (2015) suggest to “Stop trying to fit ‘politics’ into one analytical framework/approach; there are lots of ways to analyse politics beyond institutionalism, and some of these may resonate better with different audiences”. The three contemporary practical guides on PEA mentioned above (section 3.2) promote a pragmatic and flexible approach to PEA and highlight the need for thinking politically rather than following a method.

4. Towards better understanding of NDC ambition

This working paper looks at political economy analysis as a diagnostic approach to unpack the notion of ‘political will’, in an effort to understand which structural and political factors accelerate or hamper sector transformation. PEA approaches are centred around actors and typically follow four lines of inquiry to explain how actor behaviour and interaction is shaped by structural factors and the (perceived) rules of the game, and how that affects change processes.

Existing political economy analysis approaches are directly applicable to study political dynamics of sector transformation. Political economy analysis has the potential to add value to sector dialogues and processes, by explicitly taking actors and their behaviour into account and building on that to explain why change is more or less likely to happen. Over the years, a body of literature on theory and practice has been built up that can be drawn on.

Understanding the political interests of stakeholders is important for shaping effective policies and programmes to drive Paris-compatible sector transitions. Most examples of PEA are conducted from an external perspective, for example by donors analysing the national and sectoral political dynamics in partner countries, and not by governments as part of their own stakeholder engagement thinking and processes. We are however optimistic that political economy analysis can also be used in support of sector planning (i.e. from inside the process) in one way or another: especially for ‘big decisions’ about technology pathways and for achieving the most difficult (and obviously last) 10-20% of emissions reduction, where political dynamics matter in identifying which actions are feasible and which are not.

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