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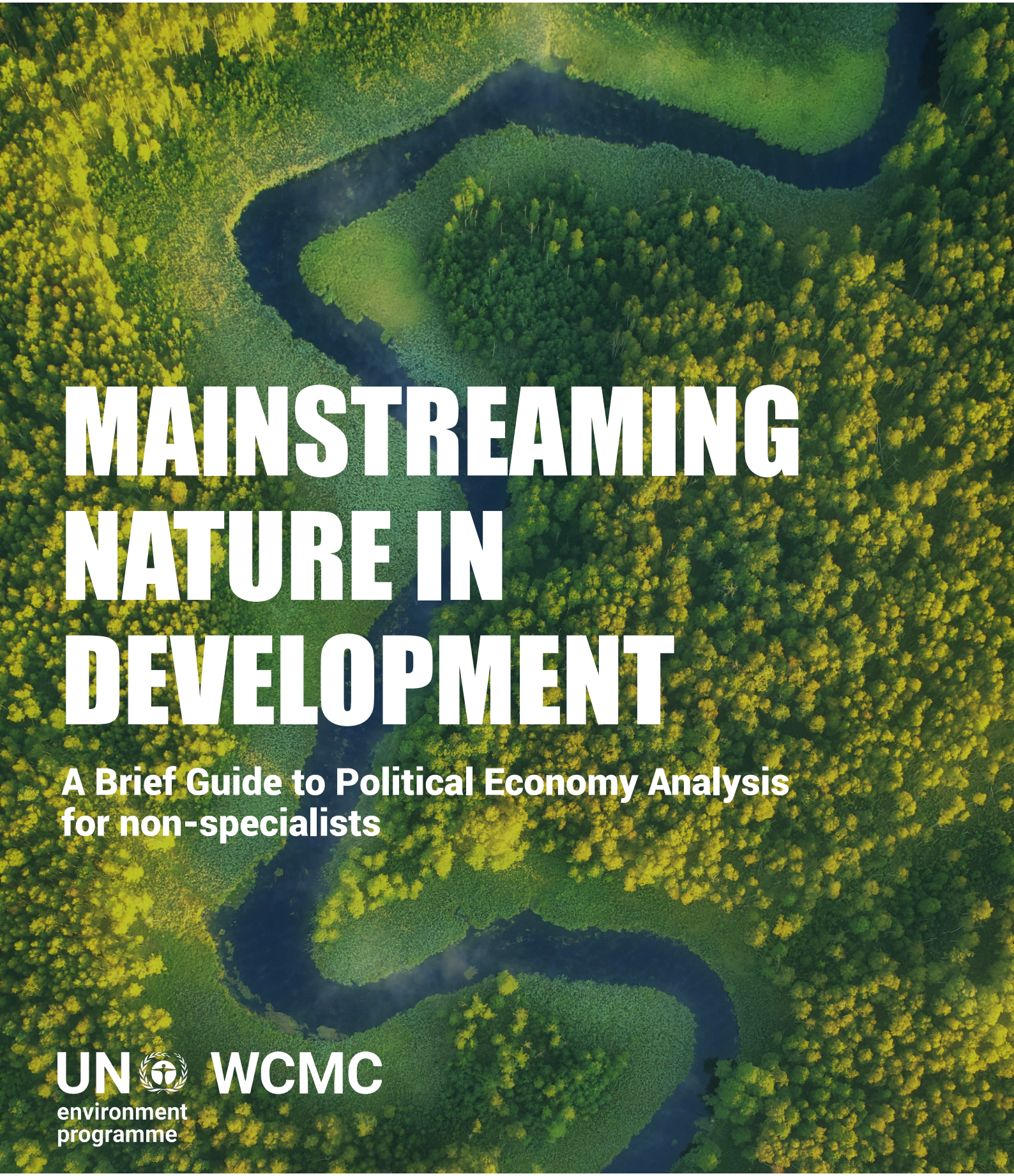

MAINSTREAMING NATURE IN DEVELOPMENT

A Brief Guide to Political Economy Analysis for non-specialists

UN environment programme
WCMC

iied

NBA
National Biosafety Authority

NEMA
National Environment Management Authority
ENSURING SUSTAINABLE DEVELOPMENT

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Acknowledgements

This guide has been written by Steve Bass, Dilys Roe, Xiaoting Hou-Jones, and Holly Dublin, staff and associates of the International Institute for Environment and Development (IIED). It has benefitted from comments and ideas gratefully received from Neil Burgess, Julian Blanc, Mike Gill, Marysol Goes, and Abisha Mapendembe.

Suggested citation: Bass, S., Roe, D., Hou-Jones, X. and H. Dublin (2021). *Mainstreaming nature in development: A brief guide to political economy analysis for non-specialists*, UNEP-WCMC, UK

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1. Introduction

Purpose of this guide

This guide is intended to help people working in conservation and development to use political economy analysis (PEA). The right approach to PEA can help them to understand the many 'political' factors that, so often, are critical to the success of conservation initiatives in given contexts – and especially to efforts to encourage the 'mainstreaming' of nature into development decisions. The guide assumes that most readers will not have specialist knowledge of PEA or political sciences. Box 1 provides a short overview of PEA, and Annex 1 provides more detail on lessons learned from its application to date.

Box 1: What is political economy analysis (PEA)?

PEA is an analytical approach to understanding the underlying political, economic, social and cultural reasons why things work the way they do in any specific context. It helps identify the incentives and constraints affecting peoples' behaviour, whether at national, sectoral or local levels. This enables users to better understand the political, economic and social processes that promote change or that block it. PEA reveals that resources are allocated not only on the basis of their relative merit or efficiency (as with economics), but also on the basis of power and power dynamics.

PEA involves a wide range of approaches and methodologies. It can seem complex and inaccessible to the non-specialist – and indeed is often carried out by technical consultants with backgrounds in political science. This guide lays out a simplified approach, setting out some basic tasks to help non-specialists (both in institutions mandated for nature, and in "mainstream" development institutions) to undertake a basic, applied PEA. It helps non-specialists to understand what to analyse (and to recognise where they may already be doing some of it), how analysis can help with their goals, how to go about the basic analytical tasks, how to feed the results into decisions at the right time, and who can help them if more detailed analysis is needed.

Those who are working to protect and sustainably manage nature are usually strongly aware that their work is affected by a wider 'political' context. Moreover, the prevailing 'political' context in many countries tends to consider economic development goals to be the most important and ignores – or is sometimes hostile to – nature, biodiversity conservation, or the broader environment (Box 2). Since those who work with nature increasingly want their work to support sustainable development and human well-being, some have deployed PEA or similar approaches to get to grips with these contextual complexities. This short guide draws on lessons from developing countries where different forms of PEA have been applied over the last 20 years and encourages wider application of a streamlined approach.[1]

1 This experience includes the recently-concluded GEF/UNEP-WCMC CONNECT project on '*Mainstreaming Nature in Development*' in Ghana, Uganda and Mozambique, which has a focus on the role of biodiversity information, and which has sponsored this wider look at PEA.

Box 2: Why nature professionals need to better understand the 'politics' of decision-making

Many environmental problems have 'political' roots. They relate to the ways that power and resources are secured and used in a country or society and are intimately meshed with problems of poverty and inequality. For example:

- Environmental degradation is very often associated with inequality: in essence, it is driven either by elites seeking wealth (greed), or by poor people seeking survival (need). What we perceive as 'people exploiting nature' often also turns out to be 'people exploiting other people' to access nature.
- Many conflicts between people emerge over environmental resources, and from the 'weaponising' of these resources.
- Environment-dependent actors often tend to be marginalised, facing problems of access and lack of representative, procedural or distributional rights and justice. Nature conservation policy and practice, for too many people, means loss of access to land and resource rights.
- Policy, fiscal and market measures can create incentives or disincentives for sustainable and equitable development. However, they are not 'magic bullets' and their effectiveness is highly context-specific.
- Progress on management of public environmental goods such as biodiversity conservation requires collective action among diverse players. This depends upon good communication channels and trust, which may be lacking.

'Mainstreaming' strategies for nature have often not worked, as they were not built on an understanding of real-world interests, the complexities of politics[2] and power dynamics, and real-world decision-making processes. They tend to make a technical case for protecting or managing nature, while ignoring the key issues that have political backing such as jobs and growth which nature can support. They cite environmental evidence, e.g. species information, rather than the economic evidence, e.g. GDP contributions and job creation opportunities that can influence critical decisions. And they often 'give up' on all such factors, simply bemoaning a 'lack of political will'.

Successful approaches at mainstreaming nature into wider decision-making processes have had a clearer eye on issues of the 'political economy'. Being aware of important 'unwritten rules' or key power-holders can help to find and create political will, to engage with the right decision processes at the right time to support positive outcomes, and to develop strategies to mobilise champions and bring 'blockers' onside. Some have deployed PEA to help gain that clearer view and achieve good outcomes for nature. However, it has not been routinely deployed. The main use of PEA in recent years has been by external agencies for ensuring their major country development assistance strategies address political risks and opportunities, rather than by government agencies, NGOs and civil society groups who are seeking to influence decisions in favour of nature. Nonetheless, more informal or intuitive forms of PEA have also had success – people in-house simply having the right connections, asking the right questions, and having conversations about how things really work. We draw on such insights to propose a more eclectic approach.

2 In this guide we see 'politics' as a catch-all term that can include simple human nature, how people negotiate with each other, and how decision-making processes work – not just party politics.

The objectives of this guide are:

1. To show how improved understanding of the 'political' challenges affecting the treatment of nature, and affecting actors dependent on nature, can improve development decisions.
2. To share relevant lessons from diverse experience of political economy analysis (PEA).
3. To propose a streamlined approach to PEA that non-specialists can work with, in order to:
    - Improve their *understanding* of who and what drives decisions that include or exclude nature in cross-sector and sector development policies, systems, plans, and activities.[3]
    - Usefully *inform strategies* for 'mainstreaming' nature in relevant decision-making.
    - Encourage organisations working on nature to *embed political understanding* into their core strategy and regular procedures.
    - Recognise where PEA specialists might be needed for specific tasks.

Who should use this guide?

This guide is primarily aimed at those whose mandate or interest is to protect and sustainably use nature – whether they are policy and technical staff in national environment authorities, intergovernmental agencies, environmental NGOs, or leaders of community-based organisations. They will recognise the importance of understanding wider contexts for achieving their environmental goals and may have deep knowledge of some aspects. But the application of PEA as a systematic approach may be new to them, or it may have seemed too academic, too contentious, or too technical. We also anticipate the guide should be of use to development institutions and individuals in government, business or finance (such as treasury departments, planning departments, economists, and chief executives), many of which now need to respond well to increasing calls to integrate environmental concerns into development decision-making.

The guide is designed to be used by a small team of non-specialist professionals from any background, to help them to scope PEA tasks, undertake some basic tasks themselves, and to know when to commission PEA specialists where specific demands justify it. There will always be a case for experienced PEA specialists for major projects and policies, and they will often use their own methods, many of which are not referred to in this light-touch, streamlined guide.

3 Our 'nature-focused' scope draws from the common mandate of GEF and UNEP-WCMC. Moreover, IIED's mandate is to offer a bridge between nature and development communities, in this case helping both to understand and encourage 'political' change in favour of nature. Our mandates do not lead us to offer an 'ultimate PEA guide' for PEA experts, which consequently is not our goal in this guide.

2. A streamlined approach to applied PEA

Lessons from the use of PEA to date (see Annex 1), notably its use in mainstreaming nature in economic development decisions, suggest that the most useful approach is a light, flexible, real-world way of understanding and adapting to the changing 'political' context. In this guide, we adopt a 'streamlined' approach to applied PEA that is:

- *Strategic and forward-looking* – designed to inform overall strategies for using the best opportunities for achieving positive outcomes for nature in development and tackling the main barriers to it.
- *Practical* – laying out a core set of PEA tasks, with proven practices that readers can use themselves in low-capacity contexts, with prompts and tips to decide how to tackle them, and pointers to more detailed guidance and case studies.
- *Simple and concise* – avoiding lengthy, academic, or ideological approaches that may be impossible to use where the context is characterised by lack of time and resources, extreme conflict or prejudice, and consequent lack of opportunity.
- *Relevant to stakeholders and empowering for them* – exploring the many 'political' ways in which stakeholders view the world, the value of understanding both one's own assumptions and perspectives and those of others; helping people to frame issues that matter to them; and encouraging 'bottom-up' views.
- *Interdisciplinary and participatory* – able to link social, economic and environmental concerns with 'political' concerns; to support triangulation of information from multiple sources; and able to engage stakeholders actively, and not be 'owned' only by PEA specialists.

Our further intention – or at least aspiration – is that relevant PEA approaches will become *embedded and routinely applied to mainstream core decision-making processes.* Over time, PEA ideally becomes systematic and deployed on a continuing basis, rather than simply a matter of one-off studies.

Box 3: PEA – 'More tools than a garage'

Kishor et al (2015) describe 'more tools than a garage'. They highlight eight PEA tools and approaches that have emerged since 2000 and that are of particular use. Most have been developed by development assistance agencies in order to improve their understanding of developing country contexts but offer principles and techniques of wider value. They include:

- DFID's *Drivers of Change*
- ODI's *Sector-level Analysis*
- The World Bank Group's *Political Economy of Policy Reform, Problem-driven Governance and Political Economy Analysis and Strategic Governance and Corruption Analysis*
- Sida's *Power Analysis*
- IFPRI's agent-based stakeholder model *Net-Map*

It is not essential to adopt any of these tools, but they can be useful to inform or undertake the tasks set out in this guide. Using more than one tool may be helpful to validate results and strengthen confidence in the findings. Exploring them will help those looking to develop their PEA capacity beyond the basic tasks described here.

Four key PEA tasks

At the heart of our approach are four *linked* tasks:

1. *Scoping the PEA:* defining a clear purpose and plan for the PEA.
2. *Analysing stakeholders:* identifying and understanding key individuals and organisations, interests and ideas, authority and agency, and relationships between them.
3. *Analysing change and change processes:* explore the space, capacity, timing, framing and processes that create positive and negative change.
4. *Informing strategy:* building on the understanding gained in Tasks 2 and 3 to achieve desired outcomes for nature.

These tasks are not strictly linear or chronological – rather, they are iterative and dynamic, which is why we have not called them 'steps'. For example, formulating the precise change strategy (Task 4) might appear to be the culmination of PEA activity, but that strategy may call for a little more focused PEA on the particular actors involved in the strategy (back to Task 2) or on a particular change process (Task 3).

Each task entails a number of activities. These activities are summarised in Figure 1, along with their main outputs, and are described below along with tips to help readers get started.

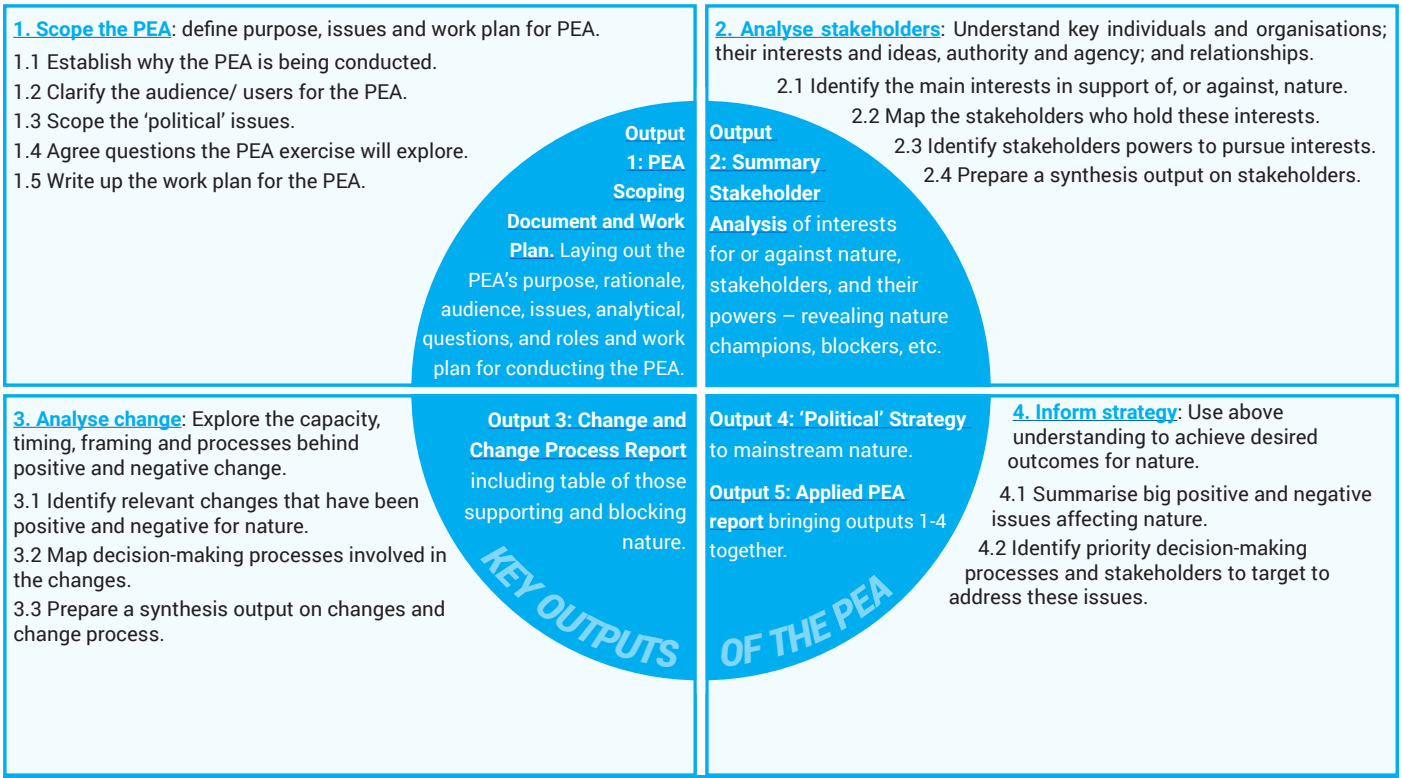

Figure 1: PEA - A streamlined approach

Task 1 – Scope the purpose, issues and work plan for the PEA

This is a short, high-level exercise to clarify *why* the PEA is being done and *what outcomes* are being sought as a result of doing it. It should 'rehearse' the main PEA activities that will need to be done and then lay them out in a work plan.

Activity 1.1 Establish why the PEA is being conducted

This activity aims to understand what is the *purpose* of the analysis? To clarify the purpose of the PEA ask yourself: What do you aim to achieve by conducting the PEA? This has two sides to it. Firstly, the desirable conservation outcome you ultimately wish to see, e.g. mainstreaming nature in development decisions, or increased funding

allocated to conservation, or stronger government support for your conservation project. Secondly, the PEA contribution to the conservation outcome. This could be:

- *Improved understanding* of the drivers for and against biodiversity mainstreaming – 'learning the game'[4] or agenda-setting.
- A *specific conservation problem solved* or an *opportunity* successfully grasped, such as ensuring inclusion of nature in a government plan or/and budget – 'winning the game'.
- *Improved understanding of what makes stakeholders tick*, to inform an influencing strategy, or to embed political thinking more routinely into decision-making – 'changing the game'.

The purpose could link to a specific project or locality, e.g. to ensure a decision on the location of a hydropower dam has fully taken account of wildlife migration patterns. Or it could relate to national or sectoral policy, e.g. to ensure a new agriculture strategy is fully informed and reflective of the importance of biodiversity and ecosystem services.

It is important to remember that the more specific the purpose, the more likely the PEA is to generate focused and clear action points. For example, if the purpose is as generic as 'ensuring nature is integrated in the economic development of country X', there could be too many potential stakeholders to consider and too many possible decision-making processes to target to enable the PEA to pinpoint clear, targeted action points. In such a case, it may be best to focus on the most significant opportunity e.g. 'ensuring nature is better considered in the next five-year planning process of country X' in order to make the PEA manageable.

Activity 1.2 Clarify the audience/users of the PEA

These will normally be those who are concerned with achieving the purpose above – typically a national environment authority, or a cross-sector group, or a project's stakeholders. Some users/stakeholders may require more (or more detailed) information than others. For example, some external actors such as international NGOs or foreign donors may require detailed background information about the 'political' history of an issue or a location, about precedents for change, about the social and economic context, political dynamics, trustworthy interlocutors, and so on. They may actively seek it because they know they do not have a full picture of the country/local context; or alternatively they may be blind to it and need to be influenced by such information where their assumptions and routine analysis do not consider it important. Other users may already be familiar with a lot of this information and won't need it spelled out in as much detail. Equally, some users/stakeholders may find themselves or their organisations to be part of the analysis – they cannot assume that other stakeholders will see them as politically 'neutral' or as objective players in pursuing the changes they want to see.

Activity 1.3 Scope the 'political' issues

The are issues that affect how nature can be mainstreamed in development and/or that may affect the specific desired conservation outcome. These drivers and distributional issues tend to include, e.g.:

- Security of rights and access to natural resources and environmental services.
- How far economic growth, jobs and livelihoods depend on natural resources.
- Economic incentives to protect or to degrade nature.
- Levels of conflict involving natural resources.
- Levels of state ownership and protection of natural resources and the environment.
- Levels of collective action to advocate for, protect and sustainably use nature.
- Political power of farmers, fishers, environmental authorities and others.
- Public attitudes, beliefs and values concerning nature – consensus and clashes.

This scoping can be brief at this stage. More detailed analysis comes in Tasks 2 and 3, but it is important to get a sense soon of the issues you might want to investigate in more detail. The issues can be revealed from a

4 ESID 2015

literature and media review but also initially – and often primarily – through asking the right questions in informal conversations (see Activity 1.4 and Box 4).

Activity 1.4 Agree the questions the PEA exercise will explore

The specific questions will depend on the purpose of the PEA, as identified in Activity 1.1. It is best to pose intuitive and accessible questions that use everyday language and that lend themselves to informal conversations – but that also allow for deeper exploration in workshops and reports, should the need arise. The questions can be refined over time depending on the overall purpose of the PEA, and this refinement is to be expected, but, by retaining the same analytical thread throughout, the analysis will seem much more accessible and less academic. Box 4 suggests some illustrative questions that can guide initial one-hour semi-structured conversations, with examples for different PEA purposes.

Activity 1.5 Write up the work plan for the PEA

The work of Activities 1.1-1.4 can be organised into ***Output 1. PEA Scoping Document and Work Plan***. This will act as an inception report for the PEA exercise and can be used to monitor it. The "how to" sections for each of the four Tasks cover the basics for the work plan, which should cover:

- The *purpose* of the PEA and, where relevant, any particular target conservation *outcome* that is being sought (e.g. changes to broad policy or specific project).
- The *place* to which the PEA refers (global, national, or local).
- The *scope* of analysis (comprehensive, cross-sectoral, sectoral, thematic).
- The *detailed questions* and suitable *tools* that might best answer them.
- The *PEA team and their roles* in the work including coordination and review.
- S*upplementary expertise* that may need to be brought in if there are skills gaps.
- Any *platform* that will be used for engaging stakeholders in the analysis from scoping to validation e.g. an existing collective forum for development or environmental issues.
- The process for *ensuring that PEA findings are integrated* into the overall project strategy and implementation.
- The *resources and timeline*.

Box 4: Illustrative questions for different purposes of a PEA

The following kinds of question can help in the task of scoping a PEA, and could be asked through a 1-hour conversation with stakeholders:

Where the purpose of the PEA = *Improving general understanding and agenda-setting*

1. What is the current state of **environment** in the country – what is getting better and what worse?
2. What **political drivers** led the environment to this state – e.g. the need to attract investors, a political priority to create jobs, privatisation, exclusion of some groups or favouring others, conflict…?
3. How do people **perceive** these drivers – who challenges them and who defends them?
4. Has there been **collective action** to support or defend nature in recent years – by whom and why?
5. What is the **position of [my project**, aid donors, external players] in this context?

Where the purpose of the PEA = *Specific problem-solving and project design*

1. Has this type of **nature intervention**, e.g. environment mainstreaming or community-based control, been tried before?
2. Who were the **winners and losers** from it and was there fair discussion of compensation?
3. Is there now **demand** for nature interventions like this? From whom and can we work with them?
4. What **structural or institutional constraints** stand in the way of the changes we want to see?
5. Can we work with those **actors who are opposed to or ambivalent** about the changes we want?

Where the purpose of the PEA = *Developing an influencing strategy*

1. Who are the **main actors** who make or influence the **decisions that affect nature**?
2. What **worldviews** (beliefs, cultures, kinships, professions) influence their views on nature?
3. What (if any) **incentives** motivate them to support nature? What primarily motivates them to act against the best interests of nature? And what incentives could **change motivations against nature**?
4. What would need to go into a **narrative** to attract and influence a powerful **coalition** for nature – e.g. is an economic framing critical?
5. Are there any **upcoming 'political' opportunities and events** (e.g. local and national elections) for influencing policy to embrace nature? Or that would make it more difficult?

NB: The same approach with analogous questions can also be asked beyond the scoping phase to deepen the analysis, for example:

- **A one-day workshop**, focusing on Tasks 2 and 3 on understanding stakeholders and change
- **A one-month consultancy and/or PEA working group** may then possibly follow e.g. to prepare a full PEA report and associated strategy.

How to do Task 1

This task is best led by those seeking to do the PEA, whether this is an authority, a project team, or an alliance of like-minded stakeholders. If the issue is complex, independent expert assistance with some experience of PEA, political analysis, or stakeholder analysis may be brought on board. When you set out your PEA workplan under Activity 1.5, ask yourself – can I do this? If not, consider bringing in external expertise or team members with the right political connections and understanding.

However, it is good not to think of PEA as an exclusive, expert task. The process of scoping, in particular, should be as inclusive and wide-ranging as possible, as this may reveal others with an interest in participating in the PEA, who can then be brought on board. Active participation in the PEA can help to engage key stakeholders and to ensure its results get used.

Importantly, the PEA process needs to be well-organised and well-documented. It will be useful to appoint an individual to coordinate the process, organise meetings, facilitate meetings and take minutes, and monitor progress with the work plan.

Task 2 – Analyse stakeholders, their interests, and powers

Here we want to know who or what is in favour of mainstreaming nature in development decision-making, and who or what is against it. It is too easy to assume that certain stakeholders are 'for' or 'against' nature, which would lead us to make a simple list of stakeholders to 'target'. But in practice every stakeholder has many interests, both nature-positive and nature-negative, and you will want to work with them to encourage positive interests over negative. Thus, it is first a question of identifying what interests for and against nature are evident in your context, and then only secondly identifying the various types of stakeholders who have these interests. This will be followed by assessing their individual and collective powers to act on their interests.

Activity 2.1 Identify the main interests in support of, or against, nature

Answer these questions:

- *What personal, organisational and public interests favour nature in development decisions*, and were relevant in the specific conservation outcome the PEA is hoping to support? What are the underlying vested interests and pressures that need to be understood in bringing stakeholders to the table? For example, are there any interests in protecting nature for tangible basic needs (e.g. food, income, health), for cultural/heritage reasons (e.g. important sacred sites and landscapes), or simply for existential reasons (e.g. protecting life from floods and drought)? Are there any interests in sustainably using or restoring nature for business, jobs or lifestyle? An ecosystem services framework or similar could be used to summarise these interests in nature – but the best framework might initially be one that is well-understood in the specific context, even if it is not at the scientific cutting edge.
- *What personal, organisational and public interests do **not** favour conserving nature*, or the specific desired conservation outcome? For example, are there interests in removing or degrading natural capital to sell it, interests in replacing it with other forms of capital (e.g. replacing a mangrove forest with a built sea-wall), interests in marginalising nature-dependent people, and/or social pressures leading to over-exploitation such as poverty, lack of secure rights, lack of alternatives?
- *How far are these personal, organisational and public interests accepted or contested* in society and/or among the stakeholders concerned? Are they embedded or evolving, consistent or inconsistent, based on evidence or on beliefs? How do they interact with other interests, e.g. inter-personal politics, identity politics, or cultural campaigns?

Activity 2.2 Map the stakeholders who hold these interests and the rules and norms through which they exert them

- *Which individuals, organisations, or wider (cross-)sector institutions hold the interests identified above?* Which are champions of nature and which undermine it?
    - Highlight *individuals* who are key champions of nature and those who work against it, particularly those with high levels of influence and/or authority.
    - Highlight *organisations* with mandates to pursue interests in support of nature and against nature, and notably organisations like government departments with specific mandates and authorities, and charities that pursue public interests.

- Identify formal and informal *rules and norms* that can affect nature e.g. in many societies, deforestation is an accepted means to claim land title, and fencing is used to exclude others from exercising rights.

- *What are the relationships like between these stakeholders?* Note which stakeholders are working closely together, how stakeholders influence each other, and which stakeholders distrust each other; and discuss why. Stakeholders may collaborate because they share similar interests, or because they have shared cultural/social circles, are involved in implementing the same policies and laws, or because they have built trust. Stakeholders may be in conflict because they have very different interests, or because policies and laws have conflicting targets. A tool like "NetMap" may be helpful in exploring these relationships (see Annex 2).

Activity 2.3 Identify stakeholders' powers to pursue their interests

- *What forms of power can be exerted by the key stakeholders* to make or to influence decisions in favour of their nature-positive or nature-negative interests? The broad types of power are those of influence, authority and knowledge, but it can be useful to be specific about them. For example:
    - *Financial powers* like the ability to buy land and natural resources, or to invest in good or bad technology, or to employ or to bribe others.
    - *Positional powers* like having a recognised mandate, representational role, proximity to decision-making processes and decision-makers, convening role, or ability to control access to resources.
    - *Public trust powers* like having recognised cultural or ethical authority that confers influence on others and their ability to change, and the right to speak on behalf of others and have a 'seat' in key processes.
    - *Knowledge powers* that mean stakeholders can assert their case with better evidence and ideas than others may have.

You can record this information in a simple matrix drawing on the list of stakeholders identified in Activity 2.2. (See *Table 1: PEA - Template to map stakeholders powers*).

Stakeholder	Financial	Positional	Public Trust	Knowledge	Other
Stakeholder 1	X	X			
Stakeholder 2				X	
Stakeholder 3			X		X
...					
...					

Table 1: PEA - Template to map stakeholders powers

- *Which stakeholders have low power?* While it is good to know who has power and is influential, it is as important to know who has a power deficit, especially where they are the most dependent on nature and vulnerable to its loss. It is also useful to identify any evidence of them attempting to increase power in specific areas, and with what effect.

Activity 2.4 Prepare a synthesis output from the stakeholders, interests, and powers analysis

- Use the above information to create a simple, annotated *4-quadrant diagram* (Figure 2) of positive/ negative interests against high/low powers to pursue those interests, showing the stakeholders within each quadrant according to their level of power and interest.

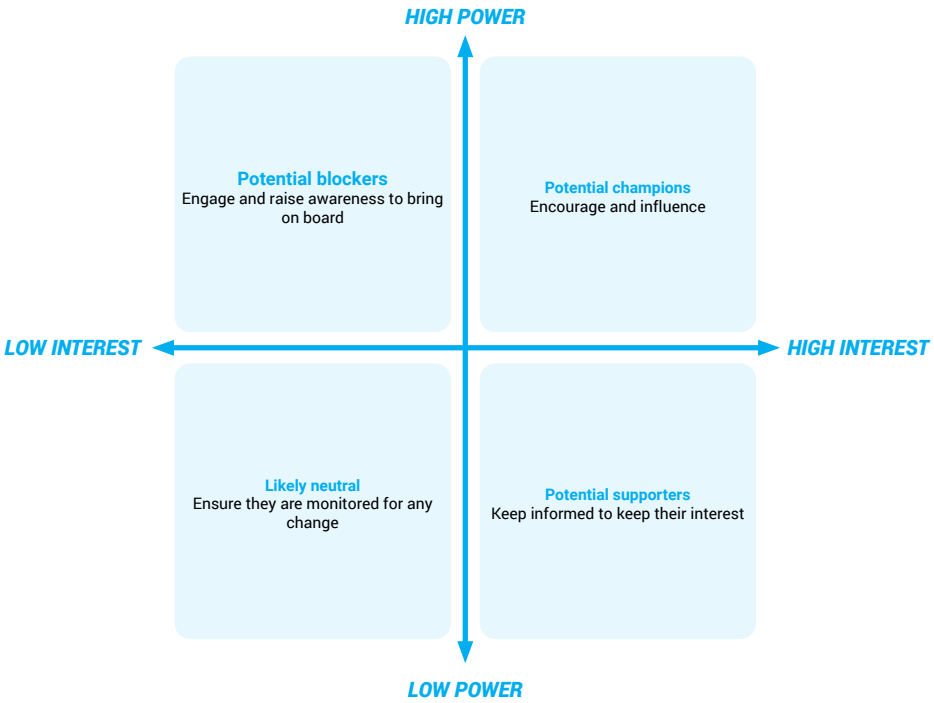

Figure 2: PEA - Power/ interest matrix for mapping stakeholders

- The 4-quadrant diagram will enable you to identify potential:
    1. Champions: stakeholders you need to encourage and engage with fully (high power/high interest group who have high potential to be leaders in pushing through effective conservation outcomes).
    2. Supporters: stakeholders you need to keep informed (high interest/low power group, who may usefully lobby for positive change and influence blockers).
    3. Blockers: stakeholders you may want to try to influence (high power/low interest group who may actively block consideration of the issue and/or associated processes, but who through awareness raising and strategic influencing may be brought on-side as allies).
    4. Neutral: stakeholders you need to monitor for anything unexpected, positive or negative – although they are unlikely to influence decisions (low power/low interest group).
- Discuss the diagram among the PEA Team – it might point to the need to explore certain interests, stakeholders, or powers more deeply if they appear to be critical. Activities 2.1-2.3 can certainly be treated as complementary and iterative.
- In this way, you can generate ***Output 2. Summary Stakeholder Analysis***. This will bring together your text material covering interests for or against nature, stakeholders, and their powers with the 4-quadrant diagram to clarify:
    - *Who* might support or block mainstreaming nature in development and/or specific desired conservation outcomes?
    - *What* specific elements of mainstreaming might be blocked or supported (some influencers may be supportive of some elements but not of others)?

- *How* these stakeholders might therefore support or block mainstreaming and/or specific desired conservation outcomes – what they could do, e.g. control access?

How to do Task 2

Beyond formal mandates and regular processes such as five-year development plans and annual budget cycles, decision-making processes can be complex and are unlikely to be fully codified in written documents. Equally stakeholder motivations and relations are very rarely documented in any meaningful form. It is therefore best to obtain this kind of information through key stakeholder interviews or focus group discussions ('conversations' that use the key questions listed above and others). The result can be complemented by desk research and refined, perhaps in a facilitated workshop designed to validate the results. The power/interests matrix in Figure 2 is only one way of visualising different stakeholders – there are many other approaches which may be useful. Annex 2 provides some tips on how to effectively analyse stakeholders and points to some additional tools that may be useful. Annex 3 provides some templates that have been used in the CONNECT project to map basic facts about the formal objectives of policies and the formal roles of associated stakeholder institutions.

Task 3 – Analyse change and change processes

Mainstreaming nature is a process of change in a given context, where stakeholders come to think about and treat nature in more positive and inclusive ways than before. Thus, it is critical to understand how changes occur in a context, and it is particularly informative to understand relevant changes that have occurred in the past and that could yield useful lessons. Change is never simply a matter of different stakeholders asserting their powers. It is also a matter of the specific context you are working in, how narratives evolve it, and the social and cultural processes used for discussing, agreeing and organising change. Thus, an important part of Task 3 is to find out which processes stakeholder thank are the most effective for achieving future change in the given context. Process ('how' things work) may seem a dull matter, but it is at least as important as content.

Activity 3.1 Identify relevant changes that have been – or are likely to be – positive for nature, and those that are negative for nature

You can make a list by asking:

- What have been the most *positive changes* recently in favour of nature? Are there any opportunities to take these positive changes even further? Examples might include:
    - Stakeholders' changed understanding, attitudes and behaviours that recognise their dependence on nature and commit to reducing negative impact on it.
    - New policies, plans, and instruments/mechanisms in government and business that incentivise valuing and sustaining nature. These could be local/national but also from further afield – global markets, and international fiscal and policy obligations.
    - New budgets and expenditures, principally in government but also in business, that invest more in protecting and restoring nature than in the past.
- How far are these changes agreed by stakeholders to be a good thing, and where is there demand and/or pressure for further positive change?
- What have been the most *negative changes* recently in terms of impacts on nature? As above, in stakeholder understanding, attitudes and behaviours, in policies and plans, in budgets and expenditures, and in instruments and mechanisms? Again, these could be local/national but also from further afield – global markets, and international fiscal and policy changes.

- What things are *on the horizon* (e.g. elections, expected major foreign investment, and national commitments to multilateral environmental agreements) that could change the current situation from positive to negative, or vice versa?

Activity 3.2 Map the processes that were influential in the above changes

- *Which processes of, for example, debate, decision-making, or review contributed to the positive and negative outcomes you have identified?* Examples processes include government policy shifts or pronouncements, multi-stakeholder policy spaces or dialogues, business taskforces and lobbying, civil society movements, societal attitudes, etc.
- When you have identified relevant processes, explore the following:
    - At what *levels* do the processes operate – local, sectoral, national, regional or international? Were they separate or did they interact?
    - What *stages* in those processes are the most critical in contributing to change towards the desired conservation outcome? For example, information search and provision, analysis, debate, approval, planning, budgeting, review, etc?
    - Which *mandated formal inputs* into decision-making processes on nature were particularly useful – for example Environmental and Social Impact Assessments (ESIAs), licences, quotas, tax incentives? And were any ignored?
    - Which processes present the biggest *barriers to supporting/mainstreaming nature* and how?
    - *How did the processes contribute to the positive and negative conservation outcomes?*
        - *Positive outcomes* might have been supported by particular entry points, people, or process criteria that favoured certain stakeholders and/or data, offering leverage opportunities. Such outcomes may also have been realised, at least in part, because of provisions for ensuring voice, debate and consensus, or because new capacities and tools were available.
        - *Negative outcomes* might have been associated with legal or attitudinal precedents that exclude some stakeholders from the process or impede their access to it in a timely way, or with a lack of data pointing to the need for change.

Activity 3.3 Prepare a synthesis output from the change and change process analyses

- *Compile your information into* ***Output 3: Change and Change Process Report*** including summary table of processes that are: a) promising; b) presenting surmountable barriers; c) with seemingly unsurmountable barriers that could 'kill' desired conservation outcomes.

How to do Task 3

Activities 3.1 and 3.2 are usefully kicked off by a small group or consultant preparing a brief background paper suggesting relevant recent changes and decision-making processes. The paper can then inform a discussion among the key stakeholders identified in Task 2. That discussion would then help the consultant or group to prepare the Change and Change Process report (Activity 3.3).

Task 4 – Develop or inform a 'political' strategy to achieve desired outcomes

Reflecting on the purposes of PEA set out in Task 1, you can draw on the results from Tasks 2 and 3 to write up the strategic implications of your analysis. These may be helpful for informing a 'political' strategy that will be used to achieve the desired outcomes regarding nature.

Activity 4.1 Summarise the big issues affecting nature where decisions need to be influenced

Drawing on the Summary Stakeholder Analysis (output from Task 2) and the Change and Change Process Report (output from Task 3), summarise the:

- Positive issues and incentives that require support.
- Negative issues and barriers that need tackling.
- Specific priority outcomes that you would like to see achieved for nature (revisit Activity 1.1).

Activity 4.2 Identify which are the promising decision-making processes and stakeholders to target for addressing these positive and negative issues

Based on your analysis in Task 2 and 3, priorities will include those processes and stakeholders that have a *mandate* for including nature and may need strengthening, and processes that are the biggest *blocks* to nature and may need reform. Once you have done this you will also want to consider:

- *The amount and type of evidence, data, diagnostics, and dialogue* needed by these processes and mandated authorities – and that suit the diverse stakeholders involved. Identify which of those inputs you will need to be able to supply to target the processes effectively.
- *Stakeholders' likely bargaining positions in these processes* – supporting or blocking (from the four quadrants identified in Task 2); with potential strategies for engaging those who feel threatened by change and/or would be most negatively impacted by decisions that favour nature.

Activity 4.3 Identify strategic entry points, leverage opportunities, and arguments

Use these to influence key decisions, engage relevant stakeholders, and accelerate reform that is good for nature. These might include:

- Capitalising on *issue platforms* that have good track records and room to manoeuvre e.g. thematic business forums or multi-stakeholder forums.
- Identifying effective ways of *framing your narrative* to target specific audiences (and not put other important stakeholders off). For example, if your target stakeholders are economists, then frame your issue in economic language.
- Reaching out to influential stakeholders of all kinds who can be good *convenors* or *bridges* to others – for example independent, respected individuals or think tanks and not only professional facilitators.

Activity 4.4 Prepare a synthesis output

From this strategic reflection:

- *Compile* ***Output 4. 'Political Strategy' report****, based on your analysis of who, what and when to target,* in order to mainstream nature or achieve other conservation outcomes.
- Where relevant, add ideas to your report on how to utilise PEA more routinely and achieve the purposes identified in Task 1 – i.e. *how to embed a PE approach* beyond your one-off analysis across the *decision-making* cycle.
- Reflect on outputs 1-4, refine them if necessary by reiterating some activities, and then combine all outputs into a *final* ***Output 5. Applied PEA report***.

Activity 4.5 Use your PEA findings to bring about change

Identify opportunities for integrating its findings into:

- Meeting agendas, presentations or briefings
- Theories of change
- Project documents and work plans
- The design of instruments that work for nature
- The design of instruments for compensating for differential impacts between social groups
- Communication strategies

It is important to be sensitive about how to *communicate* findings. It is helpful to show where many groups demonstrate a positive interest and incentives in the desired outcome (mainstreaming nature), and to use their terms. It is as important to avoid contentious terms: for example, in some countries the use of the word "political" is problematic, as it connotes a narrow political domain into which civil servants are not supposed to engage, or where civil society interaction may not be welcome. In such cases, you may want to talk about "context analysis" rather than political economy analysis. In addition, particular findings of the PEA may be sensitive or confidential and not appropriate to share with all stakeholders. Thus, the PEA may need to be complemented by a strong communication strategy.

How to do Task 4

Writing the PEA report: This is best led by the people who commissioned or undertook the PEA. It involves bringing together diverse findings from Task 2 (stakeholders, interests, and powers) and Task 3 (change and change processes), to meet the objectives and scope set out in Task 1. Independent consultant expertise may be appropriate to ensure all aspects are faithfully reflected.

Using the PEA: For project-specific PEA, the findings need to be integrated into project planning and review processes. For wider (national, sector) work, this requires a wider range of people and not just the immediate PEA team or consultant. It can also benefit from involving a broad group of stakeholders who are on-board with the relevant proposed reforms: encouraging stakeholder feedback on the PEA can get more stakeholders engaged in work towards the desired outcomes, can help to triangulate the PEA, and can thus improve it and identify where more focused analysis may be needed. Putting PEA to use is therefore not simply a one-off activity, but an iterative process potentially over a long period of time.

Embedding PEA over time: Institutionalising PEA more routinely in the work of key organisations will continually improve their political understanding and engagement, and, in turn, ensure decision-making is more timely, well-targeted and politically savvy. Thus, we advocate adopting PEA as an iterative process of investigation and learning, 'rehearsing' and demonstrating what more politically informed decision-making should do, and on a continuing basis beyond individual studies and projects. Indeed, the approach could become an integral component of the institutional machinery for organisations that are working on nature – a system for ensuring that 'political' factors are well understood, and then shaped, steered, or reformed. This could be thought of as institutions *developing and honing a strong 'political' lens*.

"In our ideal world, in ten years' time it would be great if we could not get away with designing programmes without having a politics lens – just as ignoring poverty, welfare, environmental sustainability or gender is not OK now. It's important to remember that these were all battles in the past that were eventually won".

Hudson and Marquette, 2015

3. Further information and references

This guide provides a light-touch approach to an initial applied PEA analysis. To explore PEA further, including for hints on conducting a more detailed analysis, a useful wealth of tools and resources is highlighted below. Most concern national and sector-level work, and are strongly linked to development assistance programmes, which have played a prominent role in evolving PEA in recent years.

Most of these resources below refer directly to PEA. In addition, there is a wealth of literature, especially from think tanks, CBOs and NGOs, that analyses local contexts in different ways and that often go into considerable depth on specific 'political' aspects of decision-making (for example, situation analyses, baseline and endline studies documenting change, etc.). This is worth exploring for readers interested in particular countries, localities, social groups or sectors.

Recommended key resources

A useful online source is **The Policy Practice**, which offers many PEA resources, including a library of online PEA tools.

In preparing this guide, we have found the following reference of particular value:

Booth, D., Harris, D. and L. Wild (2016) From political economy analysis to doing development differently: A learning experience. ODI

Corduneanu-Huci, C. *et al.* (2013) Understanding Policy Change: How to Apply Political Economy Concepts in Practice, The World Bank Group.

Fritz, V. *et al.* (2009) Problem-driven Governance and Political Economy Analysis: Good Practice Framework. Washington DC; World Bank

Griffiths, R. (nd) Introduction to political economy and development, Leiden University online lectures

Harris, D. and D. Booth (2013) Applied political economy analysis: five practical issues, ODI

Hou-Jones, X., Bass, S. and D. Roe (2021) Mainstreaming biodiversity information into the heart of government decision-making: Context Analysis Guide, UNEP-WCMC and IIED

Hudson, D., Marquette, H. and S. Waldock (2016) Everyday Political Analysis, Development Leadership Program

Hudson, D. and H. Marquette (2015) Mind the gaps: What's missing in political economy analysis and why it matters. In OECD (2015) A Governance Practitioner's Notebook: Alternative Ideas and Approaches, Paris

Kishor, N. *et al.* (2015) The Political Economy of Decision-making in Forestry: Using Evidence and Analysis for Reform. Program on Forests (PROFOR). Washington DC.

Leftwich, A. (2011), 'Thinking and Working Politically: What Does It Mean, Why Is It Important and How Do You Do It?' in Politics, Leadership and Coalitions in Development: Policy Implications of the DLP Research Evidence, Research and Policy Workshop, Frankfurt, Germany, 10-11 March, pp. 3-11

Nash, R., Hudson, A. and C. Luttrell (2006) Mapping Political Context: A Toolkit for Civil Society Organisations, ODI Rapid Programme

USAID (2018) Thinking and working politically: through applied political economy analysis: A guide for practitioners

Whaites, A. (2017) The Beginner's Guide to Political Economy Analysis (PEA), National School of Government

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Behuria, P., Buur, L. and H. Gray (2017) Studying political settlements in Africa. African Affairs, Volume 116, Issue 464, July 2017

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Mayers, J. and S. Bass (1999). Policy that works for forests and people. Policy that works series no. 7: Series Overview. International Institute for Environment and Development, London

Mcloughlin, C. (2014). Political economy analysis: Topic guide. Governance and Social Development Resource Centre, University of Birmingham, Birmingham OECD. 2010. Making Reform Happen: Lessons from OECD Countries

Rai, N. (2015) Deepening readiness for climate finance: the role of the political economy. IIED Briefing

Schiffer, E. and D. Waale (2008) Net-Map as a tool for research and strategic network planning. IFPRI Discussion Paper

Worker, J. (2016). National climate change governance: Topic guide. Birmingham, UK: GSDRC, University of Birmingham

Annex 1: Lessons learned from applying political economy analysis

1. PEA has evolved – from academic inquiry, to expert-led approaches for development agencies, to informal hands-on approaches, to embedding 'political thinking'

At its best, PEA helps us to get to grips with the artificial divide between states and markets – or between politics and economics respectively – rather than treating them separately. Economics is about preferences and transactions – an individual can buy things (though not dictate the terms and price) by accessing the market. However, this is, of course, within a context of rules, sanctions and enforcement that are shaped by the state, politics and power. Politics is about power – an individual cannot get public goods like a road or security without accessing the state. This requires collective action (and therefore compromise as not everyone wants exactly the same) and power. How, then, has PEA bridged politics and economics? This is not the place for a full history, but the following brief points may help.

While the earliest economists such as Smith, Ricardo and Marx embraced politics and economics together and spoke of 'political economy', classical economics then developed around markets and rather ignored politics. Meanwhile, political science, relieved of the 'burden' of handling economics, itself evolved (split between 'realists' stressing national interests, and 'institutionalists' stressing collaboration in the field of international relations).

However, in the 20th century, a new convergence began. Keynes brought the state as an economic actor back into economics. Coase reasserted that institutions matter in 'institutional economics'. Events such as oil crises made it clear that economic forces cannot be separated.

Approaches to 'political economy' analysis emerged, initially in academic circles. In the US, PEA tended to be theoretical and empirical, emulating the rigorous analysis of economics. In Europe, it tended to be more descriptive, looking closely at historical factors – perhaps reflecting colonial pasts. There are also Marxist approaches, driven by ideology. But the various academic schools were indifferent to each other and rarely engaged in discourse. Meanwhile development economics began to look at social and governance indices and the causes of prosperity and poverty, using concepts from new institutional economics and political science, and this was picked up by development agencies.

Around 2000, development agencies invested heavily in PEA approaches – primarily to rethink ill-informed assumptions about country context that had meant that previous interventions were ineffective. The emphasis was on rigorous and formal approaches to PEA with clear terms of reference and led by experts, drawing on the academic work that had characterised previous PEA. Although approaches have been diverse, there has been a common analytical core – how power is exercised, how decisions are made, and how incentives are brought to bear (Harris and Booth 2013).

Problem-focused PEA or sector-specific PEA has often been favoured since it appears to have been able to produce more actionable findings than broad country-level analyses, especially where the analysis has been participatory and inclusive, where there has been support from senior management, and where it is integrated into sector programming (McLoughlin 2014). The various interactions involved in undertaking PEA in this manner perhaps explain why it has been more effective at engaging with context than more detached, academic approaches (Booth *et al.* 2016). However, some say that donors have distorted PEA: it has become a tool or product 'sold' to donors and 'done' externally to suit their particular interests, rather than being a transformative approach to policymaking (McLoughlin 2014).

More recently, there has been a movement towards informal PEA that non-specialists can engage in – not just experts – and that can be absorbed and implemented quickly by many actors in their own work. For example, *"Everyday Political Analysis" (EPA)* offers a quick and iterative approach that offers a 'stripped back' PEA framework for thinking about politics and power for non-specialists on a routine basis.

While there will always be a need for formal 'big political analysis', the 'everyday craft' of political thinking can make PEA a natural part of the way in which we work as opposed to a separate defined analysis (Hudson *et al*. 2016; Whaites 2017). For example, development agency staff working on overseas assignments have often cited informal conversations with taxi drivers, politicians and peers as the most useful 'political' analysis even if there is no formal platform to act on it. While they don't, or can't, or won't write this down, it has often been influential in their thinking (Hudson and Marquette 2015).

Thinking and Working Politically (TWP) embeds 'political analysis' into everyday work, navigating your programme through the realities of context over time, spurring adaptation and not just at the beginning of a project. It means supporting, brokering, facilitating and aiding the emergence and practices of reform leaderships, organisations, networks and coalitions (DLP 2018). It means directing attention and support to the agents of reform and development (leaders and organisations). This allows investment in the local processes that will resolve problems – such as problems of collective action – through the work of alliances and coalitions. Hence, it will drive the formation and consolidation of the locally appropriate, feasible and legitimate institutions that are most likely to advance development outcomes (Leftwich 2011).

All of this has led to current emphases on 'institutionalising PEA' – to 'continuously assess the causal pathway to desired outcomes and adjust activities as necessary'. PEA is not just a 'snapshot in time' (USAID 2018) but a continuing part of good management.

2. There is consensus that PEA offers a systematic approach to analysing complex 'political' contexts

A brief review of the literature on PEA and its use reveals both a wide variety of approaches but also a reasonable consensus on the role of PEA:

PEA aims to situate interventions – in development, in environment, etc. – within an understanding of the prevailing political and economic processes in society. Such an understanding can support more politically feasible and therefore more effective development strategies, by setting realistic expectations of what can be achieved, over what timescale, and the risks and barriers involved.

There is also a broad consensus that PEA offers:

- A structured approach that makes political economy factors less subjective, more rational, and more evidence based. PEA gathers information – quantitative and/or qualitative – on the 'power dynamics and economic and social forces that influence development – the underlying reasons why things work the way they do', identifying incentives and disincentives for actors to change (USAID 2018). It covers issues that have often paralysed action, such as the lack of 'political will' and trust (Whaites 2017).
- A way to see things from the point of view of others, putting aside your own perspectives and prejudices. In turn, when done effectively, it will also help you understand your own assumptions and your own worldview, interests and biases.
- A useful tool at many stages of the project and policy cycle:
    - At the beginning of a project, a PEA can illuminate the existing obstacles and needs for reform, showing project planners whether their project takes into account the key actors that will shape the project's outcomes and highlighting barriers and conflicts which might threaten its successful implementation.
    - As part of the project itself, a PEA can catalyse changes in the political economy by informing stakeholders about each other's roles, interests, and powers, thereby bringing diverging interests into alignment and creating a momentum for reform.
    - At the end of the project, PEA can show whether the project has led to reforms in the political economy situation that might support sustainable outcomes.
- *Answers to 'what works' in practice.* PEA can explain why the formal institutions (policies, regulations etc) of

government sometimes do not work as intended, and why transferring 'international best practice' often fails as it incorrectly assumes that formal institutions in some places can be made to work in the same way as they do in others. It may also highlight why informal institutions and social practices remain prevalent and often explain actual progress.

- *Indications of 'how' to create change.* By highlighting the leaders, opportunities and strategic entry points for change and categorising stakeholders (according to their interests, incentives, knowledge, authority and influence) PEA can directly inform strategies for influence and collaboration.

3. However, it is also important to be clear about what PEA is not

There is reasonable consensus that PEA is:

× *Not politically partisan* – instead, PEA is about being politically informed, enabling 'politically smart' strategy (Whaites 2017).

× *Not just about engagement with politicians and political organisations* – instead, PEA engages with many actors and seeks to understand their motivations and power dynamics better (DLP 2018).

× *Not prescriptive, endorsing or recommending a specific political institution or campaign* – instead, offering information relevant to all 'political' players (Corduneanu-Huci *et al.* 2013).

× *Not promoting 'best practice'* – PEA is not formulaic. Instead it aims for 'best fit' to the context in question (USAID 2018), 'working with the grain' rather than against it (ESID 2015).

4. There remain many challenges associated with applying PEA

Prominent amongst these are:

- *Too much information:* A frequent mistake in PEA is 'analytical maximalism' – i.e. a tendency towards as comprehensive and as technical an analysis as possible (ESID 2015). There are also 'more tools than a garage' (Box 1) as the different backers of PEA and different disciplines involved (as well as diverse schools of thought) have evolved their own preferred approach. Identifying what to leave out of an analysis is almost as important as identifying what to include.
- *Gaps* in politically informed programming including:
    - *Operational gaps:* PEA is often carried out by external experts with rigid tools and terminology that can be alienating for some stakeholders: 'PEA has often been about trying to fit staff into the tools that we design, as opposed to designing tools that fit the way staff actually work.' (Hudson and Marquette 2015).
    - *Conceptual gaps:* Approaches to PEA have often underplayed the role of ideas (which can be very powerful and may explain why people act against obvious self-interest), the complexity of power ('the real political action of negotiations, deals, coalition-building, battles over ideas, and the operation of power' – Hudson and Marquette 2015), and the complex ways by which interests and incentives are actively negotiated and contested (i.e. there is a need to go beyond simply documenting interests and incentives (DLP 2018)).
- *Too much focus on governance:* Traditionally, PEA reports have been written for a particular audience, e.g. those interested and engaged in debates on governance in development work. PEA has thus failed to effectively engage and inspire those working in different disciplines thus limiting its ability to respond better to prevailing contexts.
- *Too much focus on large-scale organisations, systems and processes:* While these dominate decision-making, they are often hard to change. However, PEA could also highlight real opportunities for small but significant successes by identifying *on-the-ground marginal improvements that are possible even in bleak environments*.

5. Diverse experience of applying PEA suggests five characteristics of effective PEA

Our brief review of the experience of applying PEA to date suggests that effective approaches are:

1. *Stakeholder-owned and -motivating*: effective PEA helps local people frame the issues that matter to them and encourages 'bottom-up' views. It helps stakeholders to see themselves (and not only others) in political terms because they are likely to be part of the incentive structure. It is more effective if it is not just treated as a tool for external interests.
2. *Forward-looking and decision-centred*: effective PEA is clear about how decisions are made. It can help users to see what is possible and impossible with existing bureaucratic arrangements.
3. *An embedded, continuous and iterative process*: effective PEA helps at all stages of the project and policy cycles and is not only a one-off task at the planning/approval stage. Ultimately PEA should be embedded routinely across decision-making machinery.
4. *A process of inclusion and triangulation*: effective PEA embraces multiple perspectives and disciplines to build a nuanced picture, and is open to non-specialists, thereby avoiding one-sided or simplistic conclusions.
5. *An effective and efficient process:* effective PEA meets criteria of
    - Practicality – it can be done within the time horizon, resources, and capacity that the project can provide.
    - Comprehensibility – its outputs should be well-communicated and easy to understand by all stakeholders, helping to level the playing field.
    - Relevance – its results will be useful to the project's planning, implementation, and/or monitoring.
    - Robustness – PEA results are credible and replicable, particularly if the PEA is to be used to monitor project impact.
    - Adaptability – PEA is compatible with the country context, can be applied at the desired geographic scale, and can weigh actors and influences from other sectors that affect nature, such as agriculture, mining, or infrastructure development.

We have drawn upon these desirable characteristics in shaping our 'streamlined approach'.

Annex 2: Reflections on stakeholder analysis

People are not just stakeholders – they are *people*, with all the messy complexity that this implies. While PEA tools tend to focus on people's interests and power dynamics, people can't be described by these characteristics alone. They have many rationalities beyond obvious ones of profit or economic growth. PEA is therefore not simply a matter of ticking boxes in stakeholder analysis proforma, but also holding conversations with people.

People don't have just one perspective on the values of nature. Their cultures, beliefs and interests, the incentives they enjoy, the professions they work in, and the friendships and alliances they keep, shape their attitude to nature and how they are disposed to treat it – either positively or negatively. For some, there are strong identity politics associated with (or against) nature and natural places: many kinships, coalitions and alliances have their roots in nature. Whilst some people appear to have just one view of nature – whether a functional view, a cultural/aesthetic view, or a fundamental existential view – in practice most people have a nuanced view. Indeed, no society, no organisation, and no individual has only one view of nature or its value to their lives (see the illustration of a minister of finance in Figure 3). Finding a collective view around these values is a good basis for collective action.

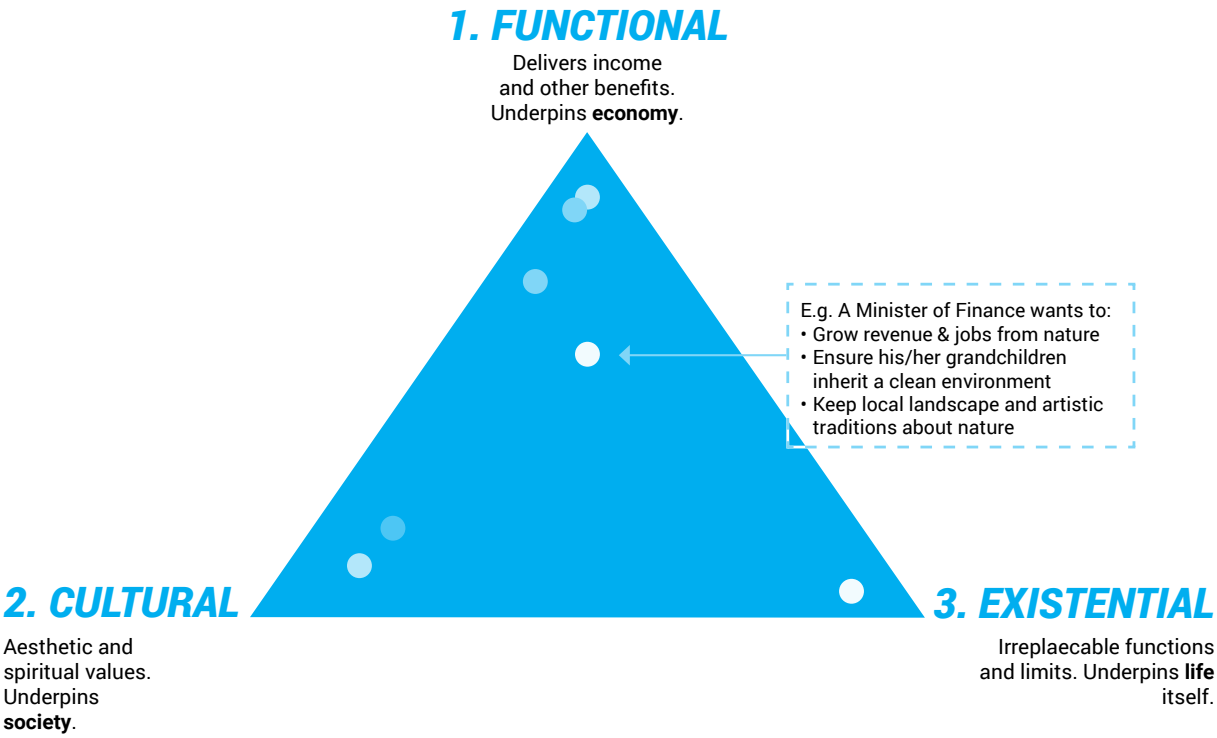

Figure 3: Functional, cultural and existential dimensions of nature

No person is an island – don't think of people as isolated individuals but as individuals subject to relationships, pressures and rules they have to work within. The same is true of organisations, which tend to work as part of wider institutions with shared norms. Who works well with whom, and where alliances are forming, is very useful information to pull out. People are the agents of change – reforms are achieved by facilitating different relationships among actors and capitalizing on the existing influence of actors. For example, there has been a growth in fora for natural capital, green economy, and zero carbon which are uniting previously little-connected stakeholders.

People do change – don't think of people's views and perspective as being fixed but rather as being fluid. They do not consistently conform to stereotypes, but have interests that evolve. How those interests are evolving is very useful information to feed into your analysis of how change occurs (Task 3). The same can be true of organisations. For example, some businesses have recently become leaders in environmental management having recognised their dependence on it.

All of these issues point to a key challenge in this guide – on the one hand a need to set out key steps and provide templates and tables to help users complete tasks, and on the other hand a recognition that because stakeholders are fluid, box ticking and categorising is not capturing complexity. However, t*here are a few proven PEA tools which can be useful for in-depth stakeholder analysis*. We have drawn on many of them in laying out our 'streamlined' approach. Two particularly useful tools can be picked out (Hudson *et al*. 2016; Hudson and Marquette 2015; Kishor *et al*. 2015). Expert advice can be helpful to lead their use and sort out complexities – but is not essential:

- **Stakeholder mapping – Net-Map** is a participatory stakeholder mapping technique which allows you to visualise and analyse how different people and groups relate to each other and influence a particular situation. It involves discussions among stakeholder groups who exchange opinions and agree on actors' roles, connections, influences and views of the problem at hand. All of this can provide rich evidence to to draw policy recommendations that will work with stakeholders. As an example, a Russian logging Net-Map revealed 45 stakeholders and five different kinds of connections: hierarchical, technical assistance, formal money flows, 'informal' money, and timber flows. An expert independent facilitator is essential as the issues can be contentious.
- **Power Analysis** makes explicit the often-hidden relationships between key actors that can craft, support, or block desirable policy changes. Developed initially by the Swedish International Development Agency (Sida), it has informed both country strategies and projects, informing strategies to adjust incentives, alliances, and advocacy. Many others have adapted and used it, too. It seeks to understand what forms of power reinforce poverty and marginalization, and to identify positive kinds of power that can be mobilized to fight these perverse effects. Ways of collecting data about power – its constitution, distribution, exercise and control - include panels of independent experts, surveys of well-informed people, public opinion polls, and focus group discussions. It is best done by a local expert working with management staff – not an external expert, as it requires good contextual knowledge about the actors and the day-to-day political landscape.

Annex 3: Sample templates for documenting stakeholders and institutions

1. Example of a template for documenting formal institutions (laws & policies)

Title of the policy/ law	Objectives/ targets	Period covered (when is it made? When does it end)	How was it made?	How does it impact biodiversity (negative/positive)?	How well is it implemented?
E.g. Wildlife policy		E.g. Enacted in 2014 and valid till 2020;	E.g. Through consultation with stakeholders and enacted by parliament		
E.g. Mining policy					
Add an extra row for each new policy, law identified					

2. Example of a template for documenting informal institutions (traditional, cultural and social norms)

Brief description	How does it affect decisions and activities that have impact on biodiversity?	How powerful and legitimate is the norm?
e.g. customary land management system	e.g. customary laws protect communal forests for communal use and cultural services for local communities	e.g. powerful among local communities, but little impact on formal land policies and external businesses. Risk of communal forests being gazetted for commercial use without community consent
Add extra row for each traditional, cultural and social norm		

3. Example of a template for documenting stakeholders

Stakeholder name	Mandate and duties	The role in decision making processes that impact biodiversity
e.g. Ministry of Agriculture	Responsible for policy and law covering for the production, marketing, processing and trade of agriculture products, food security, and management of soils and water used in agriculture	• Lead role in deciding land and water management policies and laws • Strong influence on policies to degazette forests for other land use • Monitors progress in implementation of policies and laws
Add extra row for each stakeholder – it is OK to have a table that is several pages long		

GLOSSARY

Governance: The processes by which institutions provide outcomes. In the case of the state: the processes that decide goals; the processes that deliver and enforce outcomes that are expected of them; the exercise of economic, political and administrative authority to manage a country's affairs at all levels.

Institutions: Include organisations, norms and rules: they provide the systems, rules and processes (formal and informal) that enable or hinder human activity. Institutions are usually driven by power, shaped and given direction by incentives and norms. The impact of these drivers determines the degree to which institutions reflect inclusion, accountability and effectiveness.

Politics: The processes of conflict, negotiation and cooperation between different interest groups that determines the use, production and distribution of resources — or "who gets what, when and how.".

Political economy analysis: PEA is an analytical approach to help understand the underlying political, economic, social and cultural reasons why things work the way they do, and to identify the incentives and constraints impacting actors' behaviour in a relevant system.

Political settlements or `elite bargains': A common understanding, usually forged among elites, about how political power is to be organized and exercised, and how the nature of the relationship between state and society is to be articulated. They are often unwritten. They can be dynamic and inclusive or relatively stagnant and exclusive (and may try to control those outside the bargain).

Public goods: Services that benefit all members of society, such as environmental protection, and which are provided by nature and/or by the government sometimes for free through public taxation. Public goods are the opposite of private goods, which are inherently paid for separately by individuals. They have a free-rider problem: it is not possible to prevent anyone from enjoying a good, once it has been provided. Therefore, there is no incentive for people to pay for the good because they can consume it without paying for it.

Stakeholders (or 'actors'): Individuals, groups and organisations who have a stake or stand to benefit or lose out from potential changes or policy reform. These can be domestic as well as international and include, for example, the executive, parliament and members of parliament, the military, political parties, women's groups, private sector organizations, the media, religious actors, international development actors, multinational corporations, organized crime networks, etc. These groups are rarely homogeneous themselves, so it is important to disaggregate them. They include those with power who participate in bargaining processes, those who are excluded from the processes, and networks and constituencies who may simply be connected through association with each other and elites.

Sources: Whaites 2017, USAID 2018

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