

# Putting the “Applied” in Political Economy Analysis: Reflections and recommendations on operationalizing APEA

Pact uses Applied Political Economy Analysis (APEA) to deliberately map the political and economic incentives that drive key actors within a given geography, sector, or system to inform contextually driven programming.<sup>1</sup> Between 2017 and 2018, Pact led or supported seven project teams to conduct 10 APEA processes under the Human Rights Support Mechanism (HRSM).<sup>2</sup> Some of these APEA activities represent single studies, often completed at a baseline stage, while others are part of projects’ ongoing analytical processes.

In order to learn from this set of APEA activities, which focused on topics as diverse as capacity development of indigenous peoples’ organizations in the Amazon Region to access to justice in Somalia, Pact contracted Oxu Solutions, an external consultant, to lead a critical learning review. The aim was to generate practical operational lessons and consider the value of APEA, specifically examining factors related to *process, staff attitudes and behaviors, and impact on project results*. The exercise consisted of a desk review of 10 APEA reports and relevant project documents and of interviews with 29 project implementers, consultants, and headquarters-based staff. The learning review generated key observations, analysis, and recommendations that Pact hopes will be valuable to the wider community of development implementers and APEA practitioners.

## What We Learned

### **APEA is most valuable when project staff are closely involved.**

When project staff were integrated into the APEA design, data collection, and analysis, they found the resulting product (typically a report) and process to be more useful for the project. This was true at each step of the process: close staff involvement in the APEA design was key to ensuring that the questions were relevant to the project, staff participation in data collection increased their sense of ownership and led to more enthusiasm about the value of APEA to their programs, and collective data analysis with the staff led to richer and more actionable analysis. Project team involvement in data analysis is particularly important because their understanding of the local context and project design can illuminate the biases or other dynamics that may color informants’ responses and because these sessions allow time for teams to grapple with the most sensitive findings that often do not end up in the final APEA report.

### **If time or resources require outsourcing to a consultant, their APEA experience is more important than their subject matter expertise.**

In 7 of the 10 cases, Pact involved consultants to lead the APEA process with remote support from Pact technical experts. Those external APEA leaders with experience leading APEA processes and implementing projects were considered more effective than those with subject matter expertise but no APEA experience. For one project, for example, the APEA was led by subject matters experts who relied more on personal knowledge and secondary sources than on the primary data that is typically the focus of

<sup>1</sup> For Pact’s APEA guidance for human rights programs, see <https://www.pactworld.org/library/applied-political-economy-analysis-human-rights-programs-and-campaigns>.

<sup>2</sup> HRSM is a five-year, USAID-funded Leader with Associates (LWA) Award implemented by the Freedom House-led Protecting Global Rights through Sustainable Solutions (PROGRESS) Consortium. The APEAs reviewed were for projects implemented by PROGRESS partners in Honduras, the Amazon, South Africa, Tanzania, Somalia, Cambodia, and Armenia.

APEAs. Project staff viewed this report as containing more context than analysis. Above all, APEA leaders must invest in understanding the project itself and actively seek input from the team in order to tailor the inquiry and findings to the project's needs.

### **APEA can be part of a baseline context analysis, but should go beyond that to understand the “why.”**

Problem-driven APEAs are intended to focus on critical social, political, and economic factors that either contribute to or hinder project results, whereas context analyses look broadly at the environment in which a project operates and analyzes the major actors, needs, and challenges the project may encounter. While these 10 studies were presented as problem-driven APEAs, in practice many of them functioned more as context analyses and did not sufficiently explain *why* things happen or the incentives causing certain realities. Some of these reports still served the project's immediate baseline needs and contributed to program design because the scope of research for these activities was responsive to the project team's stated need for a broad understanding of the implementation environment. At the same time, the lack of narrow, problem-driven analysis means projects are likely missing the level of analysis necessary to make strategic shifts or to design focused interventions that influence powerholders to bring about the project's desired changes.

### **There is a narrow “sweet spot” for baseline APEA timing within a project.**

Respondents were divided about how early or late in project implementation an initial APEA should occur. When APEA findings were finalized more than six months into implementation, some respondents felt they had to wait to make key decisions, which delayed their ability to earnestly start implementation. In one case, an APEA was carried out too far into a two-year project to allow for significant changes in approach or course corrections. On the other hand, when the APEA takes place before staff have been onboarded, before a context analysis has been done, or before staff are familiar with the relevant stakeholders, it is hard to determine the topics on which the APEA should focus. Relatedly, if there is not an inception period in the project and the staff are pressured to begin implementing activities immediately, completion of an APEA risks becoming an excuse for putting off critical decisions. Experience from these seven projects suggests that the “sweet spot” for baseline APEAs may sit between months three and six because key staff are often in place and projects are not yet wedded to key strategies and approaches.

### **The process is more valuable than the product.**

Respondents found that the information gleaned from the primary data collection (typically key informant interviews and focus group discussions) was the most useful part of the APEA and that the report served more as a record than an actionable program implementation tool. Rather than the final report itself, participation in data collection activities, analysis, and discussion around APEA findings most contributed to programmatic shifts where they took place. Reports were used instead more narrowly to furnish donors with justifications of project choices and changes in activities that resulted from the process. In some cases, respondents suggested that the end product confirmed what they already knew generally about a challenging operating environment, but having a written document helped them to engage with their donor on necessary design modifications.

### **Without explicit guidance on gender equality and social inclusion (GESI), APEA risks perpetuating power dynamics.**

Staff did not feel they had enough guidance on how to integrate GESI into APEA, and only one study (for a project focused on women entrepreneurs) included a strong GESI component. Even designating a GESI question in the APEA scope of work appears to be an insufficient solution and becomes a “box to tick,” unless a GESI lens is intentionally integrated throughout the process, including in research team composition, stakeholder selection, and consideration of gender and inclusion elements in the design and analysis. Two projects also carried out parallel GESI analyses with a political economy lens, both of which were considered useful by the project teams.

## Project teams do use APEAs to make key decisions.

Ultimately, the purpose of APEA is to inform project decisions. The learning review found evidence that APEAs do contribute to project decision-making, primarily at a tactical level (i.e., narrow yet meaningful actions or interventions) as compared to strategic level (i.e., changes to the theory of change or operational model). Decisions that were influenced by the APEA findings included:

- Finalizing key aspects of program design, such as geographic focus, target groups, and thematic areas
- Choosing key partners
- Determining issues on which advocacy is too sensitive
- Strategically designing calls for proposals
- Identifying new lines of inquiry for further research

By contrast, APEA activities did not lead to fundamental shifts in the projects' strategic directions, such as changes in development hypotheses or radical changes in program approaches. Most of the projects under review had been implementing activities for less than one year at the time of the review, so it is too soon to say whether the APEA process impacted project results.

## Looking ahead

Given the importance and complexity of the projects funded under HRSM, Pact will use these findings to strengthen our approach to ensuring insightful, problem-driven APEAs that meaningfully contribute to project decision-making. With this in mind, Pact commits to making the following changes to our APEA practice both within HRSM specifically and Pact generally.

### Encourage more creativity and flexibility in the final product.

In light of respondents' view that the process is often more valuable than the final product, Pact will think more creatively about the formats that are most useful for project teams. In all cases, the final product was a traditional written report, and in several cases, these were seen as cumbersome and inaccessible. We will consider a variety of final products in order to meet the needs of the project teams and the APEA's target audience. It is clear that reports can serve as an important knowledge management tool, but Pact will proactively explore minimum viable products that can serve the purpose of documenting the process, findings, and recommendations in a way that is cost-efficient and supports decision-making. Products may include slide decks, synthesis memos, or even oral debriefs.

### Train project teams on APEA as early as possible.

To enable meaningful staff involvement in the earliest stages of the APEA (i.e., development of the scope of work and identification of stakeholders), Pact will build on our existing training materials to create a webinar-like training to acquaint teams with the methodology. We will translate these materials (initially into Spanish and French) to ensure all project teams have a nuanced understanding of the APEA methodology.

### Deliberately involve project staff in the APEA design, data collection, and analysis.

Because the most useful APEAs had close involvement of project teams in all aspects of the process, Pact will attempt to standardize this practice across all APEAs. Enabling staff participation will require us to budget accordingly and, in cases where we conduct an APEA as a sub-partner, to provide clear budget guidance to our prime for their team's level of effort and travel costs. Pact acknowledges that the logistics and time associated with planning and implementing an APEA are sometimes viewed as a burden and hope this can be mitigated by more realistic budgeting.

### Be fastidious in what we label as "APEA."

Some projects required more of a context analysis at the baseline to finalize project design than they needed a true problem-driven APEA, leading to the development of a broader scope of work that fell short of Pact's own guidance around narrow research questions. Moving forward, we will be more deliberate about defining and labelling what projects require, particularly at a baseline stage. Rather than treat everything as an APEA, in certain cases we may explicitly support projects to conduct broader contextual

or stakeholder analyses that incorporate a political economy lens. Where an APEA is clearly required, we will ensure that the animating research questions are sufficiently problem driven.

### Push for formal inception periods.

To give project teams sufficient time to conduct all relevant analyses (i.e., context analysis, stakeholder analysis, APEA) before making critical program implementation decisions, we will request formal inception periods in new applications. Because inception periods allow time for analysis and learning before implementation begins, key findings from the APEA can be better built into project design.

### Provide more guidance around GESI integration.

We recognize that GESI should be integrated into every step of the APEA process in order to not perpetuate the power dynamics we seek to study and address. This is true regardless of whether a project has a strong GESI component. Pact will update our APEA guide to include more specific instructions and to seek, where possible, to have a GESI-focused person on the APEA team to ensure the entire process (from scope developing through report writing) is viewed through that lens.

### Build in more intentional reviews and ongoing learning.

We cannot rely on APEA reports or even staff participation in APEA processes to promote a “thinking and working politically” mindset or to lead to changes in approach. Pact’s current practice is insufficient to systematically drive “ongoing APEA.” During the design phase, we will build in learning and reflection workshops or milestone reviews with the explicit intention of, among other things, refreshing or updating APEA findings and reflecting on APEA recommendations.

### Continue to document results.

It is too soon to say whether these APEAs are having an appreciable impact on project results, so Pact will continue to track decisions resulting from APEAs and explore ways of documenting the associated results. We will update our tools for tracking project decisions and plan a second learning review at the conclusion of the HRSM award to examine whether APEA improved programmatic results.

#### For More Information

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