INSTITUTIONAL AND CONTEXT ANALYSIS

GUIDANCE NOTE

December 2011
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### Acronyms

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<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>CCA</td>
<td>Common Country Assessment</td>
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<td>CO</td>
<td>UNDP Country Office</td>
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<td>HRBA</td>
<td>Human Rights Based Approach</td>
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<td>ICA</td>
<td>Institutional and Context Analysis</td>
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<td>PEA</td>
<td>Political Economy Analysis</td>
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<td>PAPEP</td>
<td>Political Analysis and Prospective Scenarios Project</td>
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<tr>
<td>RC</td>
<td>United Nations Resident Coordinator</td>
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<tr>
<td>ToR</td>
<td>Terms of Reference</td>
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<tr>
<td>UNCT</td>
<td>United Nations Country Team</td>
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<td>UNDAF</td>
<td>United Nations Development Assistance Framework</td>
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Executive Summary

Purpose of Institutional and Context Analysis

A development programme succeeds when key players have an incentive to make it succeed. When key actors in society are threatened by a development programme, they have an incentive to make it fail. Understanding how different actors in society – bureaucrats, farmers, industrialists, incumbents, opposition parties, religious authorities, groups of men or women, and more – have different incentives to enable or block development interventions is key to successful programming. Each actor has a distinct history and – importantly – faces constraints, such as institutional limits on its power, a weak resource base, or an inability to act collectively. This means only some have the ability to act upon an incentive. Illuminating this mixture of incentives and constraints is the aim of Institutional and Context Analysis (ICA) at the country level.

The present Guidance Note has emerged as a direct response to demand from Country Offices for a resource to help UNDP staff understand the political and institutional context in which they operate in a manner that is suited to the needs and mandate of the organization. It offers practical guidance to UNDP Country Offices on how to assess the enabling environment through Institutional and Context Analysis (ICA). The term “institutional and context analysis” refers to analyses that focus on political and institutional factors as well as processes concerning the use of national and external resources in a given setting, and how these have an impact on the implementation of UNDP programmes and policy advice. An ICA is envisioned as an input to programming, in which there is a focus on how different actors in society, who face different incentives and constraints, shape the likelihood of programme success. This Guidance Note offers ideas on undertaking country-level ICA in order to develop a Country Programme (Chapter 1), as well as conducting an ICA at the sector or project-level (Chapter 2).

ICA Principles

ICA is conceptually grounded in a set of assumptions about how development works, from which we derive distinctive ICA questions. These are described in more detail in the following chapter, but can be summarised as follows:

1. **Development requires a change in power relations and/or incentive systems.** Groups establish systems that protect their privileges. Expect actors to support changes in the socio-economic and political order only when it does not threaten their own privileges. Many development interventions seek exactly such change.
   
   Ask: Over history, under what conditions has this society made strides forward in human development?

2. **The powerful reward their supporters before anyone else.** ICA focuses on the logic of political survival. Those in power must reward those who put them there before they can reward anyone else.
   
   Ask: On whom do the powerful rely to keep them in power?

3. **All actors in society have interests and incentives.** Rather than assume that everyone in society ‘wants development,’ ICA assumes that some actors face incentives that pit their
private and public interests against one another. Not only do broad groups (such as civil society or industrialists) often have opposing interests, so do groups within those categories. Some interests will be more easily discernible and will make more sense to outsiders than others (e.g. interests such as perpetuating the gender status quo may appear irrational or even harmful but reflect deeply held views and emotions). Rather than ‘political will,’ instead Ask: What incentive do major actors have to put public interests over their private interests?

4. **Resources shape actors’ incentives.** Sources of revenue shape the incentives of power holders to be more responsive to some groups than others.
   
   **Ask:** On what resources do the powerful depend, and how does UNCT’s presence affect this?

5. **But all stakeholders in society have constraints.** The mere presence of an incentive does not mean an ability to act on that incentive. Traditions and institutions – formal and informal – shape actors’ ability to act on their incentives.
   
   **Ask:** What are the constraints on the power of key actors, and are there important informal rules that shape the nature of development?

This type of political analysis is not new for UNDP

UNDP in Latin America has been undertaken similar types of analyses as part of the Political Analysis and Prospective Scenarios Project (PAPEP). Like ICA, PAPEP involves an analysis of the political and institutional context for a country’s development. ICA, however, is different from PAPEP in important ways: PAPEP is a large undertaking, often involving public opinion polling, while ICA is not designed to be so intensive; PAPEP is very much an outward-oriented exercise, in which the output is intended to present public policy options, while ICA can be just an internal exercise in which the output is intended to help UNDP be strategic in programme design. But for the purposes of this Note, it is important to recognize that ICA does not represent any radical break from previous UNDP practice.

How ICA can be useful

ICA can help UNDP COs become more strategic in their engagement with different actors and sectors. It does this by providing a framework for understanding the various incentives and constraints that frequently pit social actors against one another, and against UNDP development interventions. Rather than undertaking situation analysis that rely on vague notions of ‘political will,’ ICA instead focuses attention on how some actors stand to lose if a development programme is successful. National-level legislators, for example, may lose sources of patronage if civil service hiring becomes more meritocratic; national-level civil servants may lose if administrative functions are decentralised.

The value of ICA goes beyond governance issues. Development projects in diverse sectors, from the environment, women’s economic empowerment or post-conflict reconstruction, all involve engagement with social actors with varying incentives to engage in pro-development behaviour. ICA provides a way of understanding these various incentives, and this serves as a type of risk mitigation for UNDP. ICA can help development partners to assess the likelihood
that certain partners will collaborate or will resist change, for example the level of support for mainstreaming gender concerns.

**How to use this Guidance Note**

The ICA concept is elaborated in the next chapter, *Introduction to Institutional and Context Analysis.*

*Chapter 1 describes how ICA can contribute to Country Programme formulation.* The purpose of country analyses that usually precede the UNDAF formulation process is to identify the development challenges faced by a given country and help the UNCT design appropriate responses. While many country analyses describe development challenges according to an ideal model, they rarely address the root causes for existing problems that may be linked to historical, political and institutional factors. UNDP country programmes that are not blind to the distinct programming contexts and the institutional landscape of a country are more likely to generate results as they take into account the root causes of existing challenges and not only their manifestations, considering them inefficiencies that can be fixed by technical assistance alone. ICA can play a role by helping UNDP achieve a better understanding of the national-level ‘lay of the land.’

*Chapter 2 describes how ICA can contribute to ordinary project formulation.* Situation analyses are usually undertaken during project formulation. Following negotiations with partners which precede the formulation of a project document, it is typically assumed that the project will achieve the intended results if there are sufficient resources and capacities in place. Yet development projects are not implemented in a vacuum; in practice, many fail due to a lack of understanding by development partners of the myriad factors related to informal institutions, stakeholders’ incentives and interests, time horizons, and an inability to understand the local context fully. ICA can help COs add rigour to regular programming procedures such as situation and risk analyses, and help understand how the various interests and forces can influence the delivery of outputs at the project level. It can show which entry points may prove most fruitful and alternative courses of action if things do not go as planned and a change in strategy is needed.

*Chapter 3 provides further guidance on methodology,* including how to decide on the scope of an ICA, assemble a research team, handle sensitive information and put together Terms of Reference.
Introduction to Institutional and Context Analysis (ICA)

Purpose of this Guidance Note

Today there is an increasing recognition among development practitioners that technical solutions, however ably formulated, are not enough; political processes, informal institutions and power relations play a vital role in the success or failure of development interventions. Evidence from numerous UNDP outcome evaluations and assessments of development results (ADRs) as well as academic research point to the limitations of what technical assistance can provide in spite of sophisticated tools and methodologies. Over the past years, UNDP has developed rigorous analysis and assessment frameworks to ensure that programming is based on solid and realistic evidence. However, we do not systematically apply tools to help us navigate the ‘enabling environment’, which plays a fundamental role in the success or failure of our efforts to support our national partners. In particular, we lack a tool that can provide the kind of insider knowledge about the various interests of national and other actors which can be the difference between a failed or successful programme. Many country office staff use their knowledge of the context somewhat intuitively for programming – but often, they have only a partial view of the context in question, and as a result, many projects fail.

This Guidance Note seeks to fill this gap by presenting practical guidance to UNDP COs on how to assess the enabling environment by carrying out an Institutional and Context Analysis (ICA). It has emerged as a direct response to demand from COs for a resource that is suited to UNDP’s mandate and organizational structure. An ICA is envisioned as an input to programming that is used to help UNDP be strategic in programming plans. In this Guidance Note, ICA refers to analyses that focus on political and institutional factors as well as processes concerning the use of national and external resources in a given setting, and how these have an impact on the implementation of UNDP programmes and policy advice.

The Note is designed to offer a flexible menu of options that can be adopted and adapted by UNDP COs according to their needs. It is structured into three chapters, which do not need to be read in order. Chapter 1 discusses how an ICA can be undertaken on a national level so as to make a Country Programme more strategic by identifying the various incentives and constraints faced by local actors. Chapter 2 does the same but focuses on the project level. Rather than a general national-level ICA, it provides guidance on conducting an ICA targeted to a particular sector or for a specific project. ICA in (post)conflict and disaster contexts is treated in a separate publication. Chapter 3 provides further guidance on conducting research and provides templates for building research teams, including Terms of Reference (ToRs) for consultants.

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1 Special guidance on ICA for fragile and post-conflict countries will be published as a follow-up to this volume.
What is Institutional and Context Analysis (ICA)?

The term “institutional and context analysis” refers to analyses that focus on political and institutional factors as well as processes concerning the use of national and external resources in a given setting, and how these have an impact on the implementation of UNDP programmes and policy advice.

In its most basic form, ICA is based on a set of assumptions about how development works. From these assumptions we derive questions that can be asked when undertaking a development programme. The core of ICA is a focus on how different actors in society, who face different incentives and constraints, shape the likelihood of programme success.

Key ICA assumptions

1. Development requires a change in power relations and/or incentive systems. Across human history, the levels of human and economic development seen today are unprecedented. The widespread provision of public goods or the presence of democratic governance are historically rare events. Instead, socio-economic and political systems protect the privileges of the few according to the power they have. From this perspective, one should expect businesses, political parties, governments, or ethnic groups to do what is best for the country only if it does not threaten their own privilege.

2. The powerful reward their supporters before anyone else. ICA focuses on the logic of political survival. Those in power must reward those who put them there before they can reward anyone else. Where governments are elected, the core constituents of the incumbent, such as those from an economic class or ethnic group, will likely be the beneficiaries of more responsive governance. Where governments are not elected, the core constituents may be military or religious authorities. They, too, will be the beneficiaries of the most responsive governance.

3. All actors in society have interests and incentives. Rather than assume that everyone in society ‘wants development,’ ICA assumes that some actors face incentives that put their private and public interests against one another. For example, businesses may benefit from a state that is wealthy enough to provide good roads, reliable electric grids, and effective contract enforcement. But businesses may also benefit if they can use political influence to keep competitors out of their markets. If successful, they may lower the competitiveness of their industry, lowering aggregate economic growth, which in turn hurts the state’s financial ability. This means that broad groups, such as civil society, farmers, and business owners must be disaggregated. Power relations are omnipresent at all levels of society, in communities, in businesses, and in households and families, and their importance for development efforts – both positive and negative – should be examined in detail.
4. **Resources shape incentives.** The source of public revenue shapes the incentives of power holders to be more responsive to some groups than others. Reliance on revenue from state-owned oil or ODA, for example, stands in contrast to a reliance on revenue from private exporters, or the taxes of individuals. It also shapes political incentives to make some state institutions function effectively while leaving others under-resourced or using them as sources of patronage. When development practitioners introduce new sources of revenue, they unintentionally contribute to this complex mix of resources. This analysis can be taken right down to the community and household level, if desirable, because the family and the community are institutions whose choices and incentives are likewise influenced by the availability and distribution of resources.

5. **But all stakeholders in society have constraints.** The mere presence of an incentive does not mean an ability to act on that incentive. Institutions – formal and informal – shape actors’ ability to act on their incentives. Institutions are systems of rules that regulate behavior by establishing norms, rewarding compliance and punishing violations. Systems of rules like constitutions or trade treaties establish rules that set limits on behavior. Not all rule systems are formally encoded as law: informal institutions serve the same purpose and should not be seen as ‘weak.’ Indeed, in many developing contexts, informal rules that relate to things like kinship or patronage politics can matter more than the ‘formal’ rules written into law. Whether informal or formalized through laws and policies, gender relations likewise are systems that shape and/or constrain behavior of individuals as well as institutions.

By their very nature, assumptions are not always correct, but they can be very useful in providing guidance. ICA emerges from research in the social sciences that finds, for example, that by asking which constituency a political party must please in order to stay in power, one can go a long way to explaining why public goods like water, schools, and roads are provided unevenly in a country.

**Key ICA questions**

From these assumptions, we derive a set of distinctive questions that should be central to any ICA.

1. **Development requires a change in power relations and/or incentive systems.**
   a. What conditions in the past have led to historic pro-development or pro-poor policies in the country, such as laws relating to universal primary schooling, the enfranchisement of women, or the loosening of restrictions on the media?
   b. Did these advances occur following large-scale social movements, a post-conflict settlement, as a result of major electoral changes, or some other reason?

2. **The powerful reward their supporters before anyone else.**
   a. On whom do the powerful depend to keep them in power? How are supporters rewarded?
b. What is the ability of those out of power, and those they represent, to protect their rights and have their voices heard? What additional fault-lines are present amongst those out of power?

3. **All actors in society have interests and incentives.**
   a. Don’t think in terms of political will. The term is vague and unhelpful. Ask instead, ‘what are the political incentives?’
   b. What incentives do key actors have to put public interest before private interest? Can these private interests be leveraged for public gain?

4. **Resources shape incentives.**
   a. On what sources of revenue do power holders depend, and how does that dependence shape their incentives to respond to claim makers?
   b. How does UNDP’s presence affect the relationship between power holders and claim makers?

5. **But all stakeholders in society have constraints.**
   a. Are major actors constrained by formal rules, or do informal rules seem to matter more? For example, do traditional or religious authorities enjoy significant influence in state institutions? How do gender relations influence the choices that individuals and institutions make?
   b. If a group or organization has an interest in an issue, is there any evidence of their ability to act collectively? Do they have a history of effective activism?

These ICA assumptions and questions are similar to those that underpin political economy analyses (PEA), which usually examine the interaction of politics and resources. Although ICA is motivated by research in PEA, ICA is not restricted to an analysis of economic issues, and nor are the relevant actors always political. ICA is intended to provide a general approach to development matters which may not be purely economic in nature. Although ICA includes a close look at the political and economic factors that play a role in development interventions, it goes beyond these dimensions to facilitate a more holistic understanding of the very diverse contexts in which UNDP operates (which can include, as mentioned above, the role of religion, gender relations, informal institutions and the influence of external factors), with a view to achieving better results for the ultimate benefit of national partners.

**Why is Institutional and Context Analysis useful?**

ICA can be helpful for programming by helping UNDP senior managers and staff better understand the forces at work that may have an impact on development outcomes, and by identifying the actors that are likely to help/hinder a development programme. Thomas Carothers has dubbed this “turning on the light” so that development practitioners can better recognize who has an interest in what, how these interests are pursued through which channels, and how informal institutions can affect the pursuit of such interests on formal levels. Outsiders may simply refer to
this bundle of issues as a ‘lack of political will.’ By revealing the interests and incentives that promote or block pro-poor change, ICA can help COs understand how positive change can happen, where the obstacles lie, and how to address them.

ICA is not only relevant to democratic governance practitioners, or indeed to UNDP. Poverty reduction strategies are approved by governments; energy and environment policies are implemented by government bodies and others and have links with private sector interests; crisis prevention and recovery interventions depend on state and non-state actors to succeed. Donor interventions in fragile and conflict-affected contexts can themselves be a cause of violent conflict, as well as part of the response to it. Hence, development actors are enjoined both to ‘Do No Harm’, and to work together to maximise their impact on conflict - which often blocks positive change. ICA is helpful for both: it helps practitioners understand specific factors pertaining to a country’s cultural, social, gender, and domestic political characteristics that have an impact on development outcomes.

From a human rights-based perspective, ICA adds value to the formulation of development interventions by helping UNDP staff unpack the concept of ‘political will’ and identify courses of action to address bottlenecks for claims holders – or choose to change strategy, if the vested interests of duty bearers prove to be too powerful to challenge. In this sense, ICA contributes to development effectiveness towards human development.

ICA is not a magic bullet to achieve better results, but it can help prevent failures and contribute to risk management, which is a central element of UNDP’s accountability architecture. In a climate of decreasing resources and increasing pressure to meet MDG targets, it is more important than ever to ensure that investments in development programmes are well focused, with targeted interventions that are feasible and based on realistic expectations.

How ICA helps Country Programme formulation

The purpose of an ICA in the context of designing country programmes is to identify the political factors underpinning a country’s development challenges so that UNDP can adjust programming accordingly. Country programmes that are not blind to the distinct programming contexts and the institutional landscape of a country are more likely to generate results as they take into account the root causes of existing challenges rather than their manifestations as inefficiencies that can be fixed by technical assistance alone. While many country analyses accurately describe challenges and development gaps according to an ideal model, they rarely address the root causes of existing problems that may be linked to historical, political and institutional factors. The historical trajectory of a country, distinctive features of the existing political settlement at the national and local levels, informal institutions, gender inequalities, relations between the state and society and

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2 Ideally, an ICA should be carried out during the CCA/UNDAF formulation process and UNDP can advocate for it with the UNCT. However, given that UNDP does not have a mandate to issue guidance on the preparation of an UNDAF, this Note will be limited to providing guidelines on how to carry out an ICA for the implementation of UNDAF outcomes.
among different ethnic and religious groups, and the incentive systems that drive change or block it are rarely taken into account, yet the ability of the UN to respond effectively to existing challenges can be critically affected by these issues. The ability to implement corporate policies such as those on gender mainstreaming often depends on having an improved understanding of power relations within the country and within institutions. Chapter 1 provides a guide to undertaking an ICA in the context of designing programmes to support a particular UNDAF outcome. The focus of the chapter is on the types of questions that can help shed light on key features of a country’s profile that are not evident from the more technical types of analysis that UNDP typically undertakes.

*How ICA helps project formulation*

Virtually all UNDP COs support national partners through time-bound projects. During project formulation a situation analysis is usually undertaken, focusing on a particular area of relevance to the challenges the project seeks to address. Situation analyses often focus on development challenges and events or needs that have led to the particular response being proposed, such as a peace agreement, new legislation, or other longstanding problems related to high levels of poverty, gender inequality, environmental degradation, etc. Following the negotiations with partners which precede the formulation of a project document, it is typically assumed that the project will achieve the intended results if there are sufficient resources and capacities in place. Yet development projects are not implemented in a vacuum; many fail due to a lack of understanding by development partners of the myriad factors related to the informal institutions, stakeholders’ incentives and interests, time horizons, and inability to understand the local context fully.

Although COs routinely undertake a risk analysis when formulating projects, these are often done without a rigorous assessment of the various scenarios that may arise as a result of a change in political conditions. ICA can help COs add rigour to regular programming procedures such as situation and risk analyses, and help understand how the various interests and forces can influence the delivery of outputs at the project level, which entry points may prove most fruitful, whether the formulation of win-win scenarios is a possibility, and alternative courses of action if things do not go as planned and a change in strategy is needed. Chapter 2 provides step-by-step guidance on how to do an ICA for project formulation purposes, including detailed instructions on how to identify stakeholders’ interests and power and how these can impact on project implementation positively or adversely.

*Political and institutional analyses are not new for UNDP*

There are circumstances in which the UN RC or the UNDP CO need a deeper understanding of the political environment in which they operate in order to better position UN/UNDP to provide timely assistance, or to be more effective in advocating for a certain course of action vis-à-vis multiple actors. Such political analysis is not new for UNDP.
UNDP’s experience with the Political Analysis and Prospective Scenarios Project (PAPEP) in Latin America has demonstrated that political analyses can be used by the UN RC and UNDP to promote democratic dialogue, manage and prevent crises, and conduct public policy feasibility assessments.³

A PAPEP study differs from an ICA in important ways. First, PAPEP is intended to be a public undertaking between the UN and national counterparts, while ICA is intended to be a primarily internal document. Second, a PAPEP is a very large undertaking in terms of time and resources, typically featuring large-scale public opinion polling, and is always implemented by a network of high-level specialists. ICA is intended to be a more modest exercise with a small research team, who may be hired from UN rosters and do not need to be part of an established ICA network. Third, PAPEP is intended to provide a set of options for public policy, while ICA’s product is intended for internal use. For our purposes, however, it is important simply to recognise that UNDP does do political analysis.

Practical Considerations

When planning the design and execution of ICA, the following practical questions emerge: Who will conduct the analysis? How long will it take? What will it cost? Should the analysis be treated as an internal document or should it be shared with partners? The answers to these questions will vary according to resources, context and the type of analysis in question.

The analysis team should comprise at least one external consultant who has the credibility to interview stakeholders without being associated with a specific political agenda and the soft skills required to conduct interviews so as not to jeopardize the image of UNDP or create discomfort on the part of the informant. As a rule of thumb, given the potential for findings to contain sensitive information, the analysis should be closely monitored by a senior manager in the CO. There is no pre-set ideal number of days for an analysis. Depending on how detailed it is, it can be done anywhere from three weeks to three months. Further guidance on these practical issues is provided in Chapter 3.

An ICA is primarily an internal exercise in the sense that is intended to inform UNDP’s planning and decision-making with a view to maximize effectiveness and minimize risks. It is important to stress that ‘internal’ does not mean ‘confidential’ and it can be useful to discuss the ToR for such analyses with partners whenever possible, and to share findings with relevant stakeholders, verbally or in the context of especially designed validation workshops. How much information to share with national partners and how is often a judgment call by UNDP senior managers, and is to be decided on a case-by-case basis.

Chapter 1  ICA at the Country Programme Level

It is a commonly held view that development requires ‘political will’ - but political will is not monolithic; its sources are multiple actors, and actors respond to incentives and constraints, which are subject to power relations and specific interests that can change over time. Therefore it is important to unpack the concept of ‘political will’ by understanding what actors have what incentives, and what kinds of changes in these incentives can lead to development outcomes. This chapter will help you do this by providing a set of questions that can guide an ICA in the context of formulating a Country Programme.4

According to the UNDAF Guidelines, a country analysis will contribute to the articulation of high-quality development objectives and priorities within the UNDAF. Country analyses come in the form of government-led analytical work, UN-supported analytical work, or full Common Country Assessments (CCA). ICA can build on and strengthen a country analysis done during the UNDAF formulation process by providing a set of assumptions and questions about the country with the goal of helping UNDP navigate programme pitfalls. It focuses attention on incentives, relationships, and the distribution and contestation of power between different groups and individual women and men as all of these have a significant impact on development outcomes. It should include the use of data and information that are disaggregated by sex, age, and other important variables.

An understanding of a patriarchal political system, for example, may help UNDP make sense of gender inequalities in the economic sphere, while understanding corruption may require an appreciation of how it is fed by ‘outside forces at work’ (in extractive industries, for example). Taxation policies may also reveal a lot about a country’s political context: taxation not only raises revenue for public spending to fight poverty, it can also redistribute wealth and opportunities, diminishing inequalities and strengthening state-society relations by boosting citizens’ ability to demand greater accountability.

4 The questions presented in this chapter draw on the work by Unsworth (2010).
5 For the UNDAF Guidelines, as well as many other related resources, see http://www.undg.org/index.cfm?P=4
Box 1 The resource curse: an ICA of extractive industries

The ‘resource curse’ is a well-researched and broadly debated phenomenon referring to the paradox observed in countries rich in non-renewable natural resources, in which this natural resource wealth does not translate into economic growth and human development. Oil- and mineral-rich countries tend to be worse off in development terms than countries with less abundance of natural resources.

Natural resource dependence is strongly correlated to a type of corruption that goes beyond bribery by individuals. Some have argued that the cash flow from the exploitation of the natural resources in states with poor governance institutions reinvigorates patronage politics, deepens social fragmentation and weakens already weak state institutions. Moreover, the state-society contract established through taxation, by which citizens have a strong incentive to hold their leaders to account is severely eroded or non-existent in mineral- and oil-rich economies.

In these contexts, an ICA can shed light on the negative socio-political effects of the exploitation of non-renewable natural resources, by analysing the revenue-generation cycle in the absence of strong taxation.

Sources: Robinson et al. (2006), Shaxson (2007)

Before you start

Before any analysis is carried out, decide who will do the analysis, when, and the methods to be used for data collection. Interview questions should be drawn up for different stakeholders (see lists below) and an ICA team should be set up, under close supervision of the CO. It is important also at this stage to decide on whether or not to involve partners, and how to communicate findings. Detailed practical guidance on all these practical steps can be found in Chapter 3.

Understanding power and incentives: Suggested questions to guide the analysis

Below is a list of assumptions and key questions to guide an ICA. They aim at uncovering the incentives for actors to engage in behaviour leading to pro-poor, gender sensitive development:

1. Development requires a change in power relations and/or incentive systems.
   a. What conditions in the past have led to historic pro-development or pro-poor policies in the country, such as laws relating to universal primary schooling, the enfranchisement of women, or the loosening of restrictions on the media?
   b. Did these advances occur following large-scale social movements, a post-conflict settlement, as a result of major electoral changes, or some other reason?

2. The powerful reward their supporters before anyone else.
a. On whom do the powerful depend to keep them in power? How are supporters rewarded?
b. What is the ability of those out of power, and those they represent, to protect their rights and have their voices heard? What additional fault-lines are present amongst those out of power?

3. **All actors in society have interests and incentives.**
   a. Don’t think in terms of political will. The term is vague and unhelpful. Ask instead, ‘what are the political incentives?’
   b. What incentives do key actors have to put public interest before private interest? Can these private interests be leveraged for public gain?

4. **Resources shape incentives.**
   a. On what sources of revenue do power holders depend, and how does that dependence shape their incentives to respond to claim makers?
   b. How does UNDP’s presence affect the relationship between power holders and claim makers?

5. **But all stakeholders in society have constraints.**
   a. Are major actors constrained by formal rules, or do informal rules seem to matter more? For example, do traditional or religious authorities enjoy significant influence in state institutions?
   b. How do gender relations influence the choices that individuals and institutions make?

**Box 2 Example: election-related violence and ICA**

Technical assistance to electoral processes might not be sufficient to ensure the success of elections in certain contexts, where personalised politics and power networks are deeply embedded in state institutions. When election-related violence is possible, it is important to undertake an analysis of the electoral system and to take a closer look at the incentives for violence, the political culture and elite’s commitment to democratic change.

In her study of the causes and legacies of Kenya’s 2007 post-election violence, Mueller (2011: 112) found: “In Kenya, the political class continues to revert to stasis. Their responses to the ICC’s evidence against high level perpetrators makes it clear they still are prepared to dismantle laws and institutions in pursuit of political power even if it entails embracing impunity and undermining their own much heralded new constitution.”
In order to answer these questions, it is essential to understand who the most influential political actors at the national level are, and their incentives and constraints. You should undertake first, a mapping of key actors and, second, an analysis of their incentives and constraints. Key actors in a country-level ICA could be main political parties, key religious figures, dominant ethnic groups, major business interests, large donors or strategic allies, and so on. Once the important actors are known, identify their interests and incentives based on and the ways in which they are constrained (by formal or informal rules, weak organisation, oppression, etc.), based on a desk review or interviews with key stakeholders (See Chapter 3). Do not assume that actors within the same sector have mutually beneficial interests: a political party may support the passage of coherent political party finance laws, but only if such laws do not put them at a disadvantage vis-à-vis their competition; business owners may all benefit from anti-corruption legislation, but only if their industry does not rely on corruption to get business done.

Examining gender relations is an integral part of ICA, but it is important to assess how gender intersects with factors such as age, caste, location, marital status, etc. in order to draw conclusions about which groups of women and/or men enjoy particular benefits and face particular constraints. Once the distinct incentives of diverse actors are mapped, examine the formal (i.e., constitutional) or informal (i.e., social norms, gender) rules that limit their behaviour.

The answers to these broader questions can provide UNDP with information which is critically important for the CO to be able to effectively contribute to change and support national partners as they work toward meeting the development needs articulated in the UNDAF country analysis.

Answers to the questions above can lead to a good understanding of the political economy issues that can drive or stall change in the country concerned. In order to facilitate data collection, you may choose to draw up a set of ‘sub-questions’ to drive the analysis. The nature and scope of these questions can be determined by the ICA team depending on its needs.

Below is a menu of suggested questions that can be used as required:

**State control and distribution of resources**

1. Does the state exercise control over its territory?
2. Is the country landlocked? Does it depend economically on neighbouring countries?
3. Are there cross-border groups that have an impact on state stability?
4. Are there any geographical features that could impede central state control over the territory, present physical barriers to communication, or lead to the isolation or marginalisation of particular groups or regions?
5. Is competition for scarce resources or particular patterns of exploitation of natural resources a potential source of conflict?
6. What financial and other resources are available to non-state actors including opposition groups?
7. Are there particular power differentials that cause certain groups to be persistently excluded from economic opportunities (e.g. women, ethnic minorities, migrants)?
8. How has the country responded in the past to external financial crises with regard to social protection mechanisms?
9. How significant is the public sector in providing employment opportunities? Is entrance into the civil service open and transparent? Are promotions within it based on merit?
10. Is there a large informal economy that makes taxation problematic?
11. Have processes of land and agrarian reform taken place, with what effect on social and economic structures?

Outside Forces at Work

1. Are there natural resources that are of interest to external actors?
2. What is the role and function of the extractive industry in the country?
3. What is the percentage of aid in the overall budget?
4. What are the key export/import products and who are the key export/import partners?
5. Are export generated resources re-invested in the country transparently? If so, how?
6. What is the level of foreign direct investment in the country? Are FDI generated resources re-invested in the country transparently? If so, how?
7. Is there an obvious dependence on neighbouring countries and the region, and what impact does that have?
8. What is the size of remittances coming back into the economy?
9. What role do multinationals and other states play in the country?
10. Do transnational criminal networks have a significant presence or influence in the country?

Legal System

1. What is the constitutional structure of the state (type of government, electoral system, and the organisation of the executive, legislature and the judiciary)?
2. Are the constitution and the legal framework the outcome of a state–society negotiation and broadly seen as legitimate?
3. How often has the constitution been changed, and how easily?
4. To which UN and regional treaties is the country party, and how is international law absorbed in national law?
5. Which judicial, administrative or other authorities have jurisdiction affecting the promotion and protection of human rights, and what remedies are available to an individual who claims his/her rights have been violated?
6. Which specialised and independent oversight entities exist in the country and how do they function (electoral commission, public service commission, anti-corruption commission, human rights commission, ombudsman office etc.)?
7. To what extent is the political executive constrained by law?
8. Are there major defects in the formal systems (for example, in the electoral system, or in arrangements defining the role of the security sector and its relationship to civilian
authorities)? Are gender inequalities perpetuated through law and if so, in which pieces of legislation?

Social Structure

1. Are there cultural, linguistic or other divisions in the country?
2. What are the structures of traditional authority, and how important are those?
3. In which areas are there significant gender inequalities and which groups of women or men are particularly disadvantaged?
4. Is there a history of violent conflict in the country? Is there a history of coups and other violent/unconstitutional changes of power?
5. How equitable is economic and social development in the country. Are there specific groups and/or regions which are seemingly left out?
6. Who is ‘civil society’ in the country?
7. Are there business associations with capacity to organise demands for public goods, or are interests more fragmented, with individuals seeking private deals through personal networks?

Political Structure

1. How has the state’s history shaped the access to political and economic power of different groups, relationships between them and perceptions of state legitimacy?
2. Are particular groups legally or in practice excluded from the political process?
3. What electoral system(s) is/are used at the national and sub-national levels (plurality – majority, proportional, mixed, direct or indirect), and who administers elections?
4. What do voters expect their government/elected representatives to deliver: individual patronage benefits, community-specific benefits, or broader public goods?
5. How far do political parties organise around programmes rather than individuals?
6. How representative are the branches of government, and do they enjoy legitimacy? What is the level of confidence of people in state institutions and where does support for the government come from?
7. Are there informal political understandings (e.g., informal agreements to alternate power between different regional, ethnic or other networks)?
8. Is state-society interaction limited to personalised networks between elite groups, or is there more public engagement with broader, organised groups of citizens?
9. To what extent does the composition of the army, police and security services reflect the social composition of society at large?

The ICA team is not expected to (newly) formulate a response to all the questions posed as this would create a tremendous burden. But given that (most) information will already be available, either through national and/or external reliable sources, the team should be expected to compile all existing information in one easily accessible place for UNDP senior managers. The CO can then
assign a focal point to complement the picture through additional information on an ongoing basis.

It is important that the ICA team and UNDP examine their own assumptions and biases in relation to the information they deem important and worthy of inclusion. This is a potential weakness, given that people approach development issues in different ways, dependent on their own cultural background and experience.

Box 3 Infusing ICA into human development reports: Dominican Republic, 2008

ICA can add value to National Human Development Reports (NHDRs) as a complementary analytical lens to gain a deeper understanding of the country dynamics. This was the case with the Dominican Republic HDR 2008, Desarrollo Humano, una cuestión de poder, which applied a power analysis and used a composite empowerment index.

The report surveys the creation and distribution of individual and collective capabilities and opportunities. It takes as starting point the NHDR 2005, which established that the relatively low human development of the country was not due to lack of resources but to the absence of long-term commitment with development goals among the elites, and the limited social empowerment to negotiate a pro-development social contract.

HDR 2008 provided a conceptual framework on the relationship between power, empowerment, capabilities and human development. Building on the empowerment index from Nepal HDR 2004, the research team developed a composite index made up of 52 indicators and two sub-indices measuring individual and collective empowerment – each of them further sub-divided into four and two indices, respectively.

The power analysis showed that in spite of the electoral democracy and political freedoms enjoyed in the country, patronage practices are widespread and hamper human development. According to the report, inequality levels are the result of institutional structures and political culture, and access to services depends on the power individuals enjoy and the area where they live. In this sense, human development becomes a matter of power and, therefore, politics, understood as the public space where power relations are negotiated.

Source: UNDP (2008)
Chapter 2  ICA at the Project Level

This chapter provides guidance on how to conduct an Institutional and Context Analysis (ICA) in order to better understand the context for programming in a specific area, such as a public administration reform, civil society strengthening, or women’s empowerment project. An ICA can serve as a risk mitigation tool as well as an analytical tool to identify the types of interventions that have the greatest potential. It can be undertaken prior to the project formulation or during a mid-term review.

At the project level, an ICA should be targeted to the specific area the project seeks to address, such as, decentralization, private sector development, disaster risk reduction, or a combination of these. Whenever possible, the analysis should draw on the findings of a country context analysis as described in Chapter 1, which identifies the historical trajectory of the country and what has led it to where it is in broader terms, for example whether it has a strong democratic tradition or is in transition, whether it is in crisis or just recovering from conflict, etc. A well designed country analysis can provide a good understanding of why certain reforms are difficult in the context of the country, which will be useful for programme staff when designing a project-level ICA. It will also improve the chances that the inclusion of a pro-poor or gender mainstreaming orientation is successful, by pre-empting possible negative responses and addressing how to work toward ensuring buy-in and cooperation from those who perceive their status to be impacted adversely or their interests badly served by such a project.

A key challenge in writing a project level ICA is operationalizing the findings. For this reason, it is important to take a more practical, rather than academic, approach to the analysis so that recommendations can focus on specific issues such as identifying the most promising entry points for programming, national partners (from government, civil society, the private sector) that UNDP can engage with, as well as areas where change may not be realistic in the short to medium-term. The guidance presented here aims to ensure that the findings of the analysis are practical and can justify the investments in time and funds required. Resources permitting, analysis updates can be carried out on a regular basis, or before the project mid-term review, as part of the UNCT monitoring evaluation activities.

Before you start

Before any analysis is carried out, decide who will do the analysis, when, and the methods to be used for data collection. Interview questions should be drawn up for different stakeholders (see lists below) and an ICA team should be set up, under close supervision of the CO. It is important also at this stage to decide on whether or not to involve partners, and how to communicate findings. Detailed practical guidance on all these practical steps can be found in Chapter 3.

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This chapter draws on course material by The Policy Practice (www.policypractice.com) as well as IADB (2005), Unsworth (2010) and ODI.
Below you will find four steps for carrying out an ICA. These steps are described in full, and summarised as follows:

- **Step 1: Defining the scope of the analysis**
- **Step 2: Stakeholder and engagement analysis**
  - Mapping the key actors, their incentives and the rules that constrain them, including gender relations.
  - Identifying how to engage with different sets of stakeholders
- **Step 3: Identifying entry points and risks**
  - Given the findings from Step 2, what are the most promising entry points?
  - What are the risks, and how can they be mitigated?
- **Step 4: Potential for change and areas to be prioritized**

**Step 1: Defining the scope of the analysis**

The scope of the ICA should be determined by CO senior management based on its goals and available resources. Define the scope of the ICA in terms of the specific development problem to be addressed. Since ICA is intended to shed light on the causes of problems, it is important that the motivating question asks ‘why’ rather than ‘who’ or ‘what,’ since the latter call for descriptions rather than explanations. For example, the main question for an ICA in Nepal was, “why have donor interventions to strengthen governance and anti-corruption institutions in Nepal had limited impact?” and “why is political will to fight corruption lacking in the country?” (see box 4).

When the scope of the ICA has been agreed upon, Terms of Reference for a research team can be drawn up using the template provided in Chapter 3.

**Box 4 Corruption and anti-corruption in Nepal**

**Context**

Corruption is seen by many as contributing to political instability in Nepal, fuelling disorder and lawlessness across the country. The study sought to understand the context in which corruption takes place, the reasons behind the limited impact of donors’ interventions on this area, and why there was little political effort to fight corruption. The analysis was conducted by a team of six researchers - two national governance experts and staff from UNDP Nepal (national), UNDP Asia-Pacific Regional Centre and UNODC, led by a political economist contracted by NORAD.

**The analysis**

The research team carried out a desk review and two weeks of fieldwork. The desk research examined sources on: the current political and economic situation of Nepal; the root causes of conflict; the political settlement and the informal systems; corruption in the country as well as in other post-conflict contexts; previous anti-corruption initiatives; and the legislative framework and peace agreements. This preliminary research served to guide the fieldwork, including through the development of an interview guide.
Semi-structured interviews were conducted in Kathmandu as well as in the districts of Janakpur and Pokhara. The analysis teams, composed of one national and one international expert, interviewed approximately 100 key experts; government officials; political party leaders; representatives of CSOs, the media and the private sector; analysts and academics; and donors and development partners.

The report made recommendations for prioritized donor interventions, acknowledging the potential effects of donor involvement.

Source: Dix (2011)

Step 2: Stakeholder and engagement analysis

In order to understand the enabling (or disabling) environment in a certain area, it is important to map out and analyze the formal and informal rules/institutions that have a bearing on the issue. This can be done through desk reviews, focus group interviews, stakeholder analyses and validation workshops. More information on these methods is presented in Chapter 3.

An Institutional and Context Analysis asks, ‘what are the rules, and who are the actors?’

Rules refers to institutions, which can be formal or informal. Any set of rules that regulate relationships between groups or individuals by providing incentives and sanctions can generally be described as an institution. Formal institutions includes things like constitutions, which describe the division of governing power between the executive, legislative and judicial branches; the electoral system; local government units; or citizenship laws. Like formal institutions, informal institutions are also rule systems. They differ in that they are usually unwritten though widely known. Examples include household and family structures, and kinship and patronage systems. All of these are heavily influenced by gender which is expressed through social norms and attitudes. Markets can be either formal or informal institutions, in that they are regulated by written, formal rules as well as informal social expectations.

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7 In the context of this Guidance Note, institutions “consist of a set of constraints on behaviour in the form of rules and regulations; a set of procedures to detect deviations from the rules and regulations; and, finally, a set of moral, ethical behavioural norms which define the contours that constrain the way in which the rules and regulations are specified and enforcement is carried out.” (North, 1984: 8)
Box 5 The political economy of disaster risk reduction

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<th>Context</th>
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<tr>
<td>A study on DRR, decentralisation and political economy commissioned by UNDP BCPR to serve as an input to the global assessment report on disaster risk reduction 2011 argued that the uptake of DRR policies and strategies depends on factors related to formal and informal institutions.</td>
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<th>Analysis</th>
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<td>It recommended country focused analysis of the political economy of DRR to inform the design of programmes on this area. The following key issues for analysis were suggested:</td>
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<td>- The nature of political competition</td>
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<tr>
<td>- The extent of patronage politics</td>
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<tr>
<td>- Variations in political geography, disaster risk and voice</td>
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<tr>
<td>- Citizen pressure for improved DRR</td>
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<tr>
<td>- Horizontal pressure for improved DRR</td>
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<tr>
<td>- Existence of DRR ‘champions’</td>
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Such analysis would identify the most important drivers of change that are active or potentially active in a country as well as the possible entry points. The study also highlighted the need for international actors to be aware not only of the domestic political economy context, but also of how their support can alter this context by influencing the system of political incentives (through their funding mechanisms or, for example, by making information available on good practice in DRR).

Source: Williams (2011)

Actors are the individuals and groups that exist within these rule systems; that is, within these institutions (formal and informal). Actors can be any person or group, such as street hawkers, ministers, civil servants, mine owners, parents, religious authorities, etc. An important means of distinguishing between various actors is by asking whether they are a formal or informal actor in a given process. The power of some informal actors, such as traditional authorities, often is not based on constitutional power, but on community-level, unwritten power relations. Again, gender relations play an important role in both identifying actors (e.g. specifying groups of men or women within a larger group) and determining the relative position of these actors.

This may sound academic, but in practice it should not be complex for your project. For example, in a project to improve the technical capacity of a statistical office, the key formal institutions might be: the civil service code, which relates to hiring, pay, performance incentives; or legal...
control of the statistical office, which may be part of the executive but whose budget may be controlled by the legislature. Key informal institutions might be: norms of hiring on bases other than merit; patriarchy which makes women invisible as a target group of statistical work; or a tradition of political control of the office. Key formal actors might be: civil service unions, who represent employees of the office; or government ministers, who may be the ones that commission or consume the output of the office, as well as decide its fate. Key informal actors might be: political party patrons who have no legal right to control the office, but exercise considerable influence over it by using appointments as patronage.

To operationalize this, begin by mapping out the formal and informal institutions (i.e., rules) for your area, and then identify the key stakeholders (i.e., actors). The following sections describe both, and suggest specific questions for each stage.

2.1 *Formal and informal institutions*

As a first step, a desk review should be carried out of the legal and/or regulatory framework governing issues that have a bearing on the project in order to identify the potential for success of reforms in light of previous experience. The desk review should seek to identify the existing legal framework on the issue at hand, while interviews with focus groups or key informants can then provide information on the implementation gaps of existing legislation, and the record of reforms in the area concerned. Chapter 3 provides more guidance on gathering information.

Initial questions to guide the analysis can include the following:

1. How did the legal framework come about? How was it introduced, by whom, and why? How did it evolve over the years?
2. What is the current existing legal framework on the issue at hand?
3. Are relevant laws being implemented? What are the strengths and weaknesses of existing regulations? What are the gaps?
4. Which groups challenge the legal framework (e.g. women’s organizations)? Have reforms in this particular area been attempted in the past? If so, by whom, why, and with what results? If not, why were they resisted and why are they being attempted now?
5. What has been/is the source of financing for these reforms? Are they donor-funded, or financed by public resources?
6. How are responsibilities distributed between the national and sub-national levels?

This set of questions does not need to be answered in detail at this stage, as subsequent sections of the analysis will drill down on the specific interests of key stakeholders. The objective at this stage is to describe broader factors that may favour or act as obstacles to the implementation of formal rules in the area of focus of the project, rather than the interests of particular groups or individuals.

Second, it will be important to understand the informal rules that have a bearing on this area. Although considerations regarding informal institutions are typically absent from project situation
analysis, they play a major role in determining whether projects fail or succeed. Informal rules may be closely related to formal rules (e.g. where gender inequalities are being perpetuated both in formal law and in societal norms) but may also be in opposition (e.g. where a constitution protects gender equality but societal norms on gender lag behind). This section should try to identify structural issues related to things like party affiliation, personal ties, patrimonial politics, ethnicity or kinship related issues, that prevent the enforcement of the formal rules in part (for example, part of judiciary works but not all) or in their totality (for example, rights of specific ethnic minorities are systematically disrespected). But note that informal institutions also include ‘good’ things, such as norms of reciprocity. A good analysis should try to identify both. A more detailed stakeholder analysis can then be done building on a description of the informal rules.

Initial questions to guide the analysis of informal institutions can include the following:

1. What are the informal rules preventing implementation of relevant legislation and regulatory frameworks? These can include cultural, traditional or other norms that may not be codified in legislation, but which determine how groups interact in the public, and private spheres, from the national to the local and domestic levels.
2. Are there important informal institutions (for example, cultural traditions) that are relevant to the project that can be used to improve the likelihood of success?
3. Is the project likely to challenge certain informal institutions, directly or indirectly? If so, expect actors to defend the benefits they accrue from the status quo.

Remember that all societies have informal institutions, and these persist over time. It is not realistic to believe that UNDP can change complex rule systems that govern the behavior of people in ways many do not even recognize. Rather, the goal of conducting ICA in projects is to be as fully aware as possible of the written and unwritten rules and who influences them. If that is achieved, project success is more likely. Knowing the rule is only one part of the analysis, however. How stakeholders behave within these rule systems is the next step.

2.2 Stakeholder and engagement analysis

A stakeholder analysis is used to identify stakeholders that can influence a particular process, understand their interests, constraints, and ability to influence the outcome of the project. Stakeholders can be individuals, organizations or other groups and can include international actors (e.g. donors), government officials, civil society or faith based organizations, interests groups and citizens in general. In Bangladesh, a Sida study looking at power structures and informal relationships between stakeholders served as a major input for programme formulation for local governance in rural areas (see box 6).
A Swedish Development Agency (Sida) study analysed local power structures and dynamics in the rural areas of Bangladesh. The goal was to assess how enabling the environment is for poor people to claim their rights.

The Analysis
Rural power was analysed through three analytical ‘lenses’:

1. **Governance**: Power Structure (formal and informal institutions)
2. **Informality**: Web of informal relationships between power-holders
3. **Empowerment**: Opportunities and ‘spaces’ within unfolding processes

The study combined a literature review with qualitative field work. The field team collected data in one district, working with a sample that included both those occupying significant positions within local power structures, and poor people.

After a preliminary mapping and semi-structured interviews with key informants, four discussion groups were identified and convened in each of the three sites, disaggregated by gender and wealth – i.e. ‘better-off’ men, ‘better-off’ women, men from poor households, and women from similar households. With the focus group data and information gathered through semi-structured interviews with community leaders and officials, short illustrative case studies of people’s encounters with or perspectives on power were constructed.

The findings enhanced the Embassy and Sida’s capacity to engage in policy dialogue and contributed to shaping programmatic activities in Bangladesh.

**Source**: Lewis and Hossain (2008)

A stakeholder and engagement analysis provides information about different types of actors, how UNDP should engage with them and what types of interactions UNDP can help promote. It has three parts: i) A stakeholder mapping; ii) Understanding stakeholders’ incentives and constraints; and iii) Identifying the best way to engage with different types of stakeholders and foster coalitions for change.

**Box 7 Types of stakeholders**

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<tr>
<th>Private sector stakeholders</th>
<th>Public sector stakeholders</th>
<th>Civil society stakeholders</th>
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Stakeholder mapping

The first part can cover a description of relevant actors who can influence the project focus area. This can be followed by a more detailed analysis of their power, interest in achieving the objectives stated in the project proposed, incentives and constraints.

The stakeholder analysis can start with the following questions:10

1. Who are the relevant stakeholders that have a bearing on the issue at hand? Use Box 10 for guidance.
2. Who are the main actors in the policymaking process in the area?
3. Who are the actors who play an informal role in this area?
4. What are their time horizons?11 Are they in office short-term, for example, or long-term?
5. In which arenas do they interact, and what are the characteristics of these arenas?
6. What is the nature of the exchanges and transactions they undertake?

Understanding stakeholders’ incentives and constraints

Once key actors are mapped according to their roles, a more detailed assessment can be made of their interests and the degree of influence they have on the project. Questions to guide the second part of the analysis can include the following:

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10 Answers to these questions will emerge from discussions within the ICA team based on the data collected. For guidance on data collection and triangulation, please see Chapter 3.
11 A time horizon is an actor’s belief about how long they will be in power. Those with short time horizons, such as presidents with term limits, might be expected to care more about the short- than long-term, while those expecting to remain in their position for a long-time might be expected to care about more about the future.
1. What are the main interests of the actors? Interests can be of a material or reputational nature, or those related to a specific agenda (for example, interests of party leaders will be different from those of human rights organizations, the interests of those who gain from corruption will be different to those of spiritual leaders, etc.). Are they homogeneous groups or are there divisions within the group (e.g. between women and men, based on ethnicity, caste, age, rural-urban divide, etc)?

2. Who gains from the status quo? Who stands to gain what from reforms? Who loses with a change in the state of affairs? What do they stand to lose? For example, what incentives does an incumbent government have to introduce merit-based hiring in the civil service if they rely on non-merit based hiring to reward supporters?

3. For those with the most to gain or lose, what is their capacity to act on their incentives? Capacities are often constrained by institutional limits on power or by the inability of groups to act collectively.

4. How do informal relationships among actors, or their ethnicity, party or religious affiliation affect policy implementation or the implementation of reforms?

5. If reforms in this area have failed in the past, what makes actors support it now? How and why have their interests changed?

How to engage with different types of stakeholders and foster coalitions for change

Once you have completed the first two steps, you should have a good understanding of the individuals or groups who are potential allies for the achievement of project objectives and those who can block the project. Additionally, you will also have enough information to see which stakeholders may find an alliance mutually beneficial, and use the convening power of UNDP to foster dialogue and coalition-building towards change.

It can be useful to draw a diagram to help visualize the types of stakeholders that may affect the project and the best way for UNDP to engage with them. This technique is particularly useful if you would like to validate the findings of the analysis with others, whether they were part of the ICA exercise or not.

To do this, list all key stakeholders (as discussed above) and answer the following questions:

1. How much formal or informal power does each stakeholder have (i.e., to what extent can they influence the outcome of the project concerned) on a scale from 1 to 4?
2. How much interest does each stakeholder have in the success of the proposed project on a scale from 1 to 4?
3. How should UNDP engage with different sets of stakeholders based on this?

Place the stakeholders somewhere in the diagram below, where power is represented on the vertical axis and interest is measured on the horizontal axis (see Figure 1 below).
Those who have a high degree of power will require more engagement on the part of the CO, albeit of a different kind. Stakeholders with high power and high interest in the success of the project are potential ‘champions’ and UNDP should engage with closely. Those who have low power but high interest are potential allies of the ‘champions’ identified. UNDP can work to empower them through project activities and at the same time facilitate dialogue and ‘coalition building’ among like-minded stakeholders in order to foster coalitions for change.

Stakeholders with a low degree of interest in the success of the project will require a different type of engagement. Those with high power and low interest have the potential to block or slow down the project, and UNDP should therefore engage with them through advocacy whenever possible. There will be situations when, despite efforts by the CO, there will still be no change in the behaviour or attitude of these stakeholders, as the project may not be of any interest to them, or go against their interests. In such cases, the analysis is still useful in that it will reveal what is realistic to pursue with different sets of stakeholders, and in this way help UNDP managers make informed decisions when prioritizing actions and resource allocation. Finally, stakeholders with
low power and low interest may simply not be aware of the potential benefits of the project, and engagement with this set of stakeholders can primarily entail awareness raising.

During the life of the project, the ideal scenario is that all stakeholders move toward the upper right corner of the diagram, i.e. develop a high degree of interest in its success and become more empowered in their different capacities to contribute to positive change. In that sense, the stakeholder and engagement analysis can also be used during a project mid-term review, as a monitoring tool.

**Step 3: Identification of entry points and risks**

Identifying entry points and risks are key goals of ICA at the project level, so that the knowledge gained from the exercise can add value in terms of development effectiveness and not be reduced to an academic-type study without practical application. The identification of entry points and risks should be explicitly mentioned as one of the outputs for the consultant(s) who will undertake the analysis.

While considering entry points, it is useful to keep in mind the Human Rights Based Approach (HRBA) to programming and balance activities to support both claims holders and duty bearers, or in other words, the demand and the supply sides of development. At this stage, the CO can consider the options available and the most promising entry points based on a better understanding of what is feasible in a given context. In Uganda, for example, ODI conducted a study that identified constraints for reforms in the infrastructure sector, as well as the most promising options for donor support (see box 8).
Box 8 The political economy of roads reform in Uganda

Context
At a time when the Government of Uganda had expressed commitment to addressing infrastructure constraints on development, a study was commissioned by DFID to inform the possible effectiveness of donor support to roads reform, and how DFID could best support the process.

The analysis
A ‘layered political economy analysis’ was used, focusing on
• The systemic constraints linked to the institutional context;
• The pattern of stakeholder interests, including their decision logics;
• The room for maneuver created by the change process.

The analysis built on a literature review, previous information-gathering activities in Uganda and 2.5 weeks of fieldwork conducting interviews with stakeholders. The researchers built on their own and others’ previous analysis of Uganda, including those more specifically focused on the country’s transport and power infrastructure.

The analysis lays out a number of options for donor support, including recommendations on what roles external actors could play. In this regard, the existence of a communication deficit between local actors was one key area that came out of the analysis. Therefore, the report recommends that donors facilitate such multi-stakeholder dialogue processes. It also identified other entry points, as well as sketched out key operational implications.

Source: Booth and Golooba-Mutebi (2009)

Circumstances affecting entry points and stakeholders may change during project implementation, so it is important to consider risk mitigation strategies as well. Stakeholder groups may be affected by informal rules which privilege some group members over others and which result in layers of different interests (e.g. women farmers will often have additional concerns related to gender equality compared to their male counterparts whose agenda may be confined to agricultural or land issues). Once stakeholders’ interests and incentives are identified through the stakeholder analysis, it becomes easier to monitor issues that may have an impact on these interests, and change them over time.

Guiding questions may include:

1. Based on the information collected so far, what are the most feasible entry points for interventions?
2. If resources are limited, what are the pros and cons of each possible entry point? What entry points have the potential to lead to change in the short, medium and long terms?
3. How sensitive are these entry points to changes caused by the external environment (the economy, disasters, changes in government due to elections, etc.)?
4. How will the CO ensure that women and men among the stakeholders will benefit equally from the proposed interventions?
5. What are the risks involved in the choice of entry points? How can these be mitigated?
6. What are recommended ways forward, based on the above?

Step 4: Potential for change and actions to be prioritized

Based on the information collected in the previous steps, ICA can help identify the potential for change as well as actions to prioritize adequate responses and ways forward. This is the ultimate objective of the ICA, and should likewise be explicitly mentioned in the ToR of the consultant(s) undertaking the exercise.

Identifying the potential for change can help reveal possibly harmful unintended effects which the country office should bear in mind when formulating a particular project. This is particularly relevant in crisis and post-conflict countries. It is also relevant in the context of promoting gender equality, as projects may unintentionally impact negatively on women (or men) if no proper analysis of gender relations was done at the start or if the conclusions from such an analysis were ignored. When project interventions touch on power differentials such as gender inequalities or deeply ingrained traditions, project success is more likely if an ICA includes such questions from the outset and aims to identify and implement practical win-win solutions. Again, in order to make the ICA actionable, this should constitute a specific output for the consultant(s) tasked with the analysis.

In identifying the potential for change to which any given project-level intervention can contribute, it is important to be clear on what UNDP can do to help promote change, and equally important, what it cannot do. In other words, while ICA can be useful in shedding light on those factors that may lead to changes in the current state of affairs, and help identify possible courses of action and entry points, it can also lead uncomfortable conclusions. This may be the case in situations where the forces blocking change are too powerful to challenge through a traditional project-level intervention, or where there is little genuine endogenous support for reforms (for example, in cases where they are imposed from the outside by donors) and providing UNDP resources, human and/or financial, is unlikely to make a difference in terms of development outcomes. Should this be the case, it is more helpful to acknowledge this upfront, involving national partners if possible, and providing a frank assessment of why external support in the form of a project is unlikely to make an impact.

Providing an honest assessment of the potential for change through a project is where ICA can make an important contribution to risk management, but it does require sophisticated ‘soft skills’ on the part of UNDP managers so that this is handled in a way that does not damage the relationship with national partners or donors who may be particularly interested in a certain type of intervention.
Questions include:

1. Is change possible? Is it likely?
2. How can incentives be transformed by broader political and socioeconomic factors? What can UNDP do to respond in a way that will help facilitate the change process?
3. Is the nature of formal or informal institutions and relationships likely to be affected by collective action or broader political and socioeconomic factors?
4. What stakeholders would bring most traction to a positive change process? How can they be supported?
5. What kind of collective action by stakeholders or a coalition of stakeholders could enhance their influence and lead to or block change?
6. Given the information available, what are the likely scenarios that emerge from the stakeholder analysis and the possible sources of change? What can external actors like UNDP contribute to facilitate development outcomes?
7. Is there a possibility that actions in this area can be harmful? If so, how? What can be done to avoid this?

And, most importantly:

8. Based on the above, and in view of limited resources, what actions should be prioritized?
Chapter 3 Methods, Processes and Templates

This chapter delves further into the methods and practical requirements for carrying out an Institutional and Context Analysis (ICA). It aims to assist UNDP Country Offices (COs) and practitioners by providing concrete ‘how-to’ guidelines and templates. Some research methods, such as surveys or focus groups, require technical expertise and it may be necessary to outsource the implementation to specialized local or international organisations. In these cases, this chapter will provide the knowledge required to identify the best service provider, oversee the design and implementation phases of an ICA, strengthen the quality assurance process and make use of an ICA.

Deciding on the scope of an ICA

The ultimate measure of success of an ICA is how useful it is for enhancing planning and programming. So far, the record of development organisations in this regard has been mixed, and often the implications of studies for the commissioning donors have been “unclear or indeterminate.” As remarked by a recent paper by the OECD, “despite a strong drive to understand context there has been less systematic attention given to how assessments feed into planning cycles.” In many cases, even dissemination remains very limited, meaning that not many people actually read the analytical studies.

The challenge of translating analytical findings into development planning and programming is particularly acute in crisis-affected and fragile situations. There is a fine balance between “a detailed and comprehensive assessment and one that produces usable analysis for decision-making.” In addition, some corporate priorities – like fast disbursement and an emphasis on delivery – may hamper the effective use of analysis finding. In contrast, an ICA analysis may conclude that large investments in a situation are not necessarily the best way forward, or that some areas of programming should not be prioritized.

In order to maximize the usefulness of analysis for planning and programming, the following lessons learned should be considered:

Clarity of purpose: Be clear about the primary purpose of the analysis, and recognize possible trade-offs between this primary purpose and additional desirable outcomes. Development organizations frequently do analyses to inform a macro-level planning process such as the formulation of a UNDP country programme and/or to inform the design and implementation of a particular project. But analyses can also have additional purposes such as promoting dialogue,

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15 Slotin, Wyeth and Romita (2010).
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consensus-building, or participatory decision-making prior to a certain intervention. Therefore, analysis done for the purpose of promoting dialogue with national partners will almost inevitably be less incisive on controversial issues than one that is done primarily to inform planning. Beware, however, that analyses that appear too ‘watered down’ can be disappointing to end-users.

Timing and timeframe: Ensure that the timing of the analysis is synchronized with the relevant planning/programming processes. Lack of follow-up on the findings of the analysis may be due to the fact that the timing of the analysis is not aligned with the relevant strategic or programming processes. The analysis report can therefore be left aside and quickly become outdated, particularly in crisis-affected countries or countries undergoing transitions. Sometimes, the analysis process is synchronized with relevant planning/programming process at first, but then they fall out of sync because the analysis takes longer than originally expected, eventually losing its window of influence. In some cases, particularly in volatile contexts, these delays are inevitable because they have to do with changes in the situation, but in other cases they have to do primarily with organizational flaws, and can be avoided with better planning.

Budget: Ensure that sufficient financial resources are secured in advance, and that there is enough flexibility to ensure the translation of the analytical findings into development interventions. One of the main reasons why there may be no analysis follow-up is that there are no funds immediately available to fund the priorities resulting from the analysis. Sometimes the analysis is intended as a tool for fundraising, but after some time lapses, the analysis risks no longer being relevant by the time it is ‘ready’ to be used. A related problem, particularly in crisis-affected and volatile contexts, is that funds are often earmarked for specific activities (e.g. support to refugees, rehabilitation of infrastructures) with little flexibility in using them for other purposes.

Buy-in and ownership: Identify in advance the actors whose buy-in is essential in the follow-up of the analysis, and ensure that they are involved in the process. In some cases, follow-up depends on key actors, and if they have not been involved in the analysis they may not feel the ownership needed to ensure that its recommendations are taken forward. Sometimes, the required buy-in may be lacking even within the CO, particularly when the process has been primarily relying on consultants. A change of leadership in the Country Office at times could also mean that the exercise is ‘lost.’ It is therefore necessary to ensure that the exercise is grounded within UNDP, to ensure that it becomes part of the institutional memory.

Handling sensitive information: Have a clear strategy to deal with those findings of the analysis that may be politically sensitive for the government and/or other actors. Because ICA includes questions related to the distribution of power and resources, the findings of the analysis can be very sensitive. For example, ICA studies can reveal challenges of corruption and patronage on the part of the government; or it can unveil patterns of development ineffectiveness on the part of donors.17

Given the potential for findings to contain sensitive information, the analysis should be closely monitored by a senior manager in the CO. The analysis team should be led by a focal point in the office who can oversee all stages of the process from planning to completion. Ideally, s/he should be familiar with the country context and be able to use her or his judgment to ensure that the analysis is conducted in a sensitive manner. CO managers/focal points should be able to explain the purpose of the analysis to partners when requested, in a way that highlights the value of the exercise from the perspective of allowing greater effectiveness and ensuring that UNDP’s efforts are well targeted given the reality of the country in question. If the purpose of the analysis is to engage with partners for dialogue on critical issues, findings could be shared in the form of a report or presentation for external consumption. If the purpose is precisely to identify with which partners to engage, determine viable entry points and establish where UNDP support can make the greatest difference in the context of Country Programme and project formulation processes, the analysis can be treated as an internal exercise, involving partners as needed. In the context of Country Programme or project formulation, analysis findings can be published partially or excluding passages that could cause discomfort among partners, or they can be presented verbally by the consultant(s) to the relevant parties. The knowledge gained from the process can still be useful to guide programming choices and as a risk managed tool. Alternatively, findings can be shared with partners in a safe space as a part of a strategy to start a dialogue on sensitive issues.

Decisions on analysis design and on whether and how to communicate findings should be made by the senior management of the office, bearing in mind the mandate of UNDP and its relationship with the host country in question.

**Operationalizing ICA:** Ensure that the analysis is actionable through ToR that include clear outputs in terms of identification of entry points, an honest assessment of where short or medium-term change may be beyond the scope of external assistance, and what the UNDP can realistically achieve. More guidance on drafting ToR for ICA is offered at the end of this Chapter.

**Building your team and communicating with partners**

A good ICA requires a team following the analysis from beginning to end. Depending on the scope, purpose and methods to be employed in the analysis, a core team combining international and national experts can be enlarged at different points in the process to bring in specific expertise that is needed at some point in time (e.g. facilitation expertise, expertise on specific socio-economic issues etc.). The core team should also include UNDP staff, in order to avoid the over-reliance on external consultants or jeopardizing the CO relationship with national partners.

Aim for an appropriate balance between various areas of expertise. This balance can only be defined with reference to the specific situation so there are no hard rules on how to do it. At a minimum, the following types of expertise should be present in your team, including when operating in crisis-affected and fragile contexts:

- Expertise in political economy analysis or similar
- Experience in analyzing development challenges related to the theme or (sub-) sector to be analyzed and how they are linked to the institutional context
- Extensive experience applying qualitative and quantitative methods of social research
- Experience in planning and programming: in particular, experience in the particular planning process to which the analysis is linked (e.g. UNDAF, PCNA, PRSP, etc.) or experience of programming in particular sectors, as applicable
- Gender expertise: this should go beyond having a ‘gender person’ in the team; all members of the team should have at least a basic level of understanding of gender-related issues and dynamics
- Expertise in facilitating and managing participatory processes or focus group discussions, if these are planned as part of the ICA. Where relevant, this should include experience in working with traumatized populations
- Experience with the drafting of knowledge products such as books, articles, research papers, toolkits, guides, methodologies, analytical documents, policy papers and notes, project and program documents, baseline studies, desk reviews, comparative studies, etc.

With regard to the composition of the team, consider the following:

- **Balance between international and local members:** local experts offer knowledge of local customs, norms, and values that is difficult if not impossible to match for outsiders. However, they also naturally have their own ‘lenses’ on the situation, and, particularly in very polarized societies, they can be perceived as being ‘biased’ by the people they interact with. Therefore a combination of international and national team members is preferable.
- **Gender balance:** this does not necessarily mean a 50/50 split between men and women in the team; however, it is important to avoid having a team that is very unbalanced when it comes to gender. Having both women and men in the team is also important in situations where local women may have social restrictions in talking with male interviewers.

The analysis team should comprise at least one external consultant who has the credibility to interview stakeholders without being associated with a specific political agenda and the soft skills required to conduct interviews so as not to jeopardize the image of UNDP or create discomfort on the part of the informant. Where it is not possible to hire a suitable consultant locally, an international consultant with experience in political economy analysis may be hired, ideally working with a national counterpart who can provide guidance on the country context and help formulate questions for the analysis and suggest key informants to be interviewed based on his/her knowledge of the situation and of relevant stakeholders.

Beyond finding the appropriate composition of the team, it is also important that the team has sufficient time to come together and develop its own synergy and working modality. Peer-to-peer training is a good way of doing it: members of the team can organise training sessions on their own areas of expertise in order to ensure that everybody in the team has a minimum level of understanding of all areas considered crucial.
The team will conduct the ICA study and design, plan and conduct its field research complying with the ethical standards expected from a social research of this kind. These include, amongst other:

- Conducting research in a way which maintains the integrity of the research enterprise and does not diminish the potential for conducting research in the future
- Protecting the statutory rights of members of the social community or groups being investigated, avoiding undue intrusion, obtaining informed consent, and protecting the rights to privacy of individuals and social groups
- Being aware of, and comply with, the requirements of data protection laws and other relevant legislation
- Ensuring that the conduct, management and administration of research is framed in a way which is consistent with ethical principles and which recognizes the limits of competence of each member of the research team
- Providing adequate information to colleagues to permit their methods and findings to be assessed, as well as alert potential users to limits of reliability and applicability of data resulting from their studies
- Ensuring that the research objectives are made particularly clear, and remaining aware of, and respect, the concerns of the individuals or communities to be studied
- When researching individuals or groups in a relationship where a power differential could operate to their disadvantage as subjects (e.g. students, prisoners, employees, minority groups, and the socially deprived), researchers should pay particular attention to issues of consent and potential risk.  

Planning and budgeting your process

Planning is crucial, and significant time should be devoted to the design and preparation of the exercise. While lessons learned from other experiences can be useful, at the end of the day each process has to be specifically tailored to the objectives that it wants to reach and to the context where it takes place. Tools and methodologies should be adapted. In some cases, the willingness to ‘start as soon as possible’ can lead to forego this preparation, but this is a mistake that will be paid for at a later stage.

There is no pre-set ideal number of days for an analysis. Depending on how detailed it is, it can be done from anywhere to three weeks to three months. Similarly, the costs will depend on whether the consultant(s) involved are hired locally or internationally, whether there is travel involved, etc. In any case, it is important to draw up a budget in advance and identify sources of funding. These may include TRAC and/or funds provided by donors for this purpose. Given that many of UNDP’s donors are sensitive to the importance of managing risks, managers can explore the possibility to mobilize resources for analyses as part of the project preparations.

18 Adapted from Marcia Freed-Taylor, Ethical considerations in European cross-national research, UNESCO MOST Phase I website (1994-2003), http://www.unesco.org/most/ethissj.htm
Experience shows that international agencies conducting similar analyses systematically underestimate the human resources, financial resources, and time needed. Analytical exercises typically run behind schedule, particularly in the case of multi-agencies exercises where there are additional transaction costs for coordination: even when funds are secured, difficulties in administering the disbursement processes and facing unexpected expenditures affects the timeline of the exercise, often creating frustration among partners and participants.\(^{19}\)

**Contingency planning** is also of great importance. You may have designed the exercise in a moment of relative calm, but by the time the exercise is started, the situation can change abruptly. For example, some areas where you have planned to conduct interviews may no longer be accessible due to safety issues. Lack of access due to security reasons might delay or require adjustments to the exercise. It is important to always have a ‘Plan B’ to deal with volatile and fluid environments.\(^{20}\)

It is important to have from the outset a **strategy for dealing with potential spoilers**. Particularly when your analytical exercise has a certain visibility, there is often a risk that the process will be opposed by actors with powerful interests, or that these same actors will try to ‘hijack’ it and use it to their advantage. This calls for a conscious reflection on who are the spoilers in a particular situation, and what is the strategy for dealing with them. There is no ‘one way’ to do it: in some cases, it may be justified to include potential spoilers, while in other cases it is necessary to resist their pressure.

**Methods for data gathering**

ICA relies on a combination of qualitative and quantitative data, which can be collected from different sources and using different techniques. Try to differentiate your sources and techniques as much as possible, allowing for triangulation of information: this is particularly important in crisis-affected and fragile contexts, where discourses and narratives are typically very polarized.

**Triangulation** (or ‘cross examination’) is a term used in social sciences to indicate the process of using different methods to investigate the same social issue in order to check and validate the results.

Common methods of research are desk reviews of secondary sources, interviews with experts and key informants, participatory methods such as focus group discussions, and surveys. Because an ICA is interested in potentially sensitive information, participatory methods like focus groups are less likely to be used.

**Desk review**

\(^{19}\) Dahl-Østergaard et al. (2005).

A desk review of secondary sources is essential in any ICA and should never be skipped or rushed through. It will help you to find out what is already known on a given subject, identifying where the gaps, and allowing you to better design and target your own analysis. The following sources should be considered, as applicable to the specific context:

- Official government documents
- Academic studies (books and journals)
- Public opinion surveys
- Reports of international agencies, donors and international NGOs
- Reports of local NGOs
- Newspaper and magazine articles, and other media sources
- Internet sites
- Statistical datasets.

When selecting the sources to be reviewed, the double criterion of relevance (is the producing organization well-regarded and prestigious?) and plurality (of views, opinions) should be kept in mind. A desk review should enable you to answer a number of key questions:

- What are the dimensions of the study that are already well-covered by existing sources? (see previous chapters for ICA questions)
- How reliable and documented are existing sources?
- Where are the gaps? What are the dimensions that have not received attention by existing sources? What could explain these gaps?
- What are the issues that appear particularly divisive?
- Are there strong contrasting narratives regarding particular events, facts or issues?

The desk review and the answers provided to the above questions will help you to design the rest of the ICA process, including the preparation of interview questions and surveys. A desk review should also help the ICA team to construct preliminary institutional and stakeholder mappings, which will be later refined following actual interviews/focus group discussions.

Interviews

Interviews and discussions with well-informed individuals are essential for developing an understanding of the programming context, especially for issues on which little information is available either publicly or as the result of operational work. Insights gleaned from the desk review and formal and informal consultations with key informants will help to identify additional potential key informants.

Interviews with knowledgeable local stakeholders – researchers, journalists, civil society representatives, policy thinkers within government and political parties – are essential for a holistic understanding of the individual interests and institutional opportunities and constraints that affect programming. They should also yield information about social norms and de facto (as compared to de jure) rules of the game. One-on-one discussions with UNDP staff, international as
well as local, are also a good way to capture their often considerable (tacit) knowledge about political economy issues.

Identifying some people to ‘represent’ a group is inherently problematic, as any group is an agglomerate of individuals with multiple identities. Belonging to a group does not automatically give somebody legitimacy to speak on behalf of that group or represent its interests. Any process of sampling is inevitably biased. Try to reduce the bias, but know that it can never be eliminated completely. A real effort should be made from the outset to understand what kind of representation makes the most sense in one particular context and for a specific ICA. This may include:

- Inclusion of representatives of government, civil society, and other relevant segments of society (e.g. the private sector, trade unions...)
- Balance between different identity groups, particularly in situation where there are significant social divides (e.g. ethnic, linguistic, religious, etc.)
- Gender- and age-balance
- Inclusion of both urban and rural areas, avoiding that the analysis remains confined exclusively or primarily to the capital city.

It is important to approach interviews systematically in order to extract key information. Preparing precise questions is essential to gathering a rich and pertinent set of information through interviews. Interviews can be of different types, namely:

- **Structured interviews**: the interviewer (or interview team) adheres to a precise protocol, asking only a set of pre-determined questions, without follow-up questions or observations. This type of interview is used most often by quantitative researchers, and is particularly useful when looking for very specific information. It keeps the data concise and reduces researcher bias, but it also can be limiting because it does not allow for expanding the discussion.
- **Semi-structured interviews**: the interviewer (or interview team) still follows pre-determined questions, but has some wiggle room to ask for clarification or additional information.
- **Unstructured interviews**: the interviewer follows loosely a checklist, but the interaction looks closer to a discussion than an interview. This allows for a more laid-back exchange but, on the other hand, reduces the scope for comparison among different informants.

Semi-structured interviews are generally preferred in this type of exercise, but you should feel free to define your interview technique in any way that you consider most conducive to a good outcome of your analysis. What is important is to define your methodology from the outset and apply it consistently, in order to ensure comparability of results.
Given the potentially sensitive nature of ICA, the interviews should be conducted by non-local professionals, to reduce the risk of stereotype behaviors (‘political correctness’ or distrust).  

The issue of **language** is also crucial. In many countries, the official language is only spoken by an educated, urban-based majority. Therefore, a process of analysis that is exclusively conducted in that language necessarily excludes the majority of the population from being direct informants. Particularly before starting a process involving participatory methods (workshops, focus groups), you should ascertain whether all participants are comfortable expressing themselves in the official language, and whether translation services are needed to ensure a ‘leveled playing field’ among participants. It is also important to schedule interviews at times when women and men are available for participation, i.e. not preoccupied with work or family-related tasks.  

**Focus Groups**

Participatory methods, like workshops and focus group discussions, are used to go beyond the views of elite experts and talk to the people at the local level. An additional rationale is to promote dialogue, participatory decision-making and/or consensus-building.  

After a period of great enthusiasm, however, there is recognition of limits and risks of focus groups. Since anonymity is sacrificed in focus group discussions, some individuals might be unwilling to express their views freely. If participatory methods are not properly applied – for example, if the time allotted is not sufficient – they can result in a mere legitimizing device to represent externally-imposed priorities as ‘local needs’ or ‘community concerns’. Recognising this does not mean that participatory methods should not be used - only that they should be used with caution, and should not be considered a panacea or a fast-track to finding out the ‘truth’.

A **focus group** is a group of people brought together to discuss a specific topic in-depth, and express their perceptions, opinions, beliefs and attitudes. The focus group is run by one or more facilitators.

Typically participants in these groups (usually 8-15 people) do not know each other and are selected depending on the objectives of the study as well as the strategy of the researchers. During 60 to 90 minutes the group discusses issues suggested by a professional moderator, with a rapporteur (co-moderator) (see box 9). To better analyze the content of the discussions and group dynamics, the focus group discussions are recorded on tape - or videotaped, if possible.

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**Box 9 Focus groups: moderator and rapporteur roles**

The moderator’s role is to be an active listener and move the discussion in order to ensure that key issues are covered without over directing. He/she has also to monitor participation (who talks too much/not enough) and (without interrupting) ensure that people participate equally, while posing relevant questions to build consensus-based conclusions.

The moderator should lead the discussion in such a way as to enable the rapporteur to document the results accordingly. [...] In case the group is answering the questions too fast like a closed questionnaire where they just tick the answers, the moderator may also need to play ‘devil’s advocate’ and question the opinions in order to stimulate a broader discussion.

The rapporteur has a similarly vital role that goes beyond simple minute taking. He/she should take the role of a professional observer, not only recording the points relevant for the required outputs; but also his/her observations on credibility of discussants, disputes or tensions [...] The rapporteur’s record should focus on the salient points (especially the unexpected) and avoid pre-conceptions. When taking notes he/she should always keep the envisaged outputs in mind and ensure that consensus findings are properly noted while at the same time listening for and recording strongly held minority opinions.

**Terms of Reference for an ICA at the country and project levels**

The process of developing Terms of Reference (ToR) provides an excellent opportunity for in-group discussion on the subject matter, the rationale for an ICA and its scope, limitations and risks. A participatory – yet manageable and time bound – process should take place within UNDP to iron out conflicting views and understandings around the ICA exercise (what it can and cannot deliver), while agreeing on the human resources and type of expertise needed. Important substantive issues arise in the course of this consultative process – issues worth taking into account by the ICA team at a later stage.

A ToR could be structured around the following sections.

1. **Background**

   - What is the breadth and depth of the issue/sector to be analysed?
   - What is the overall objective and rationale of the UNDP intervention?

2. **Objective of the Assignment**

   - What is the goal of the ICA?
   - Where does the need for an ICA stem from?

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23 From UNDP Bosnia and Herzegovina (undated).
• How will the analysis feed into planned activity?
• What are the time, financial and methodological (or political) constraints?

3. Scope of the Assignment: Activities and Deliverables

Activities

• Given resources allocated, strategic interests and constraints, what type of activities should be carried out to meet the desired objective?
• What data collection methods should be applied?
• Will the consultant(s) write interview questionnaires or guidelines for focus group discussions? If so, will they be deliverables on their own?
• To whom should the consultant report?

Deliverables

• Will you need short, stand-alone and internal reports summarizing the findings of each methods of inquiry (e.g. ‘Summary Report from Focus Group Discussion’) as the process advances?
• In addition to identification of entry points, what are the specific outputs for the consultant(s) who will undertake the analysis? Keep in mind that specific recommendations on entry points, risks and a realistic assessment of actions to be prioritized should be explicit outputs, so that the final report contains actionable points and the analysis is not reduced to an academic exercise.
• Will the final deliverable take the form of a report? What should be the main sections of the report?
• How will the analysis findings be disseminated? Will the consultant be expected to deliver a presentation to partners (with the content to be discussed in advanced with the CO)?

4. Competencies

Members of the research team should:
• Display cultural, gender, race, and age sensitivity
• Demonstrate integrity by modeling the UN’s values and ethical standards
• Display comfort working in politically sensitive situations
• Have strong oral and written skills
• Demonstrate research, analysis and report-writing skills
• Have a good grasp of ICA ideas
• Have excellent communication and inter-personal skills, particularly for building networks and partnerships.

Team Leader should have:
• Ability to lead the formulation and implementation of projects
• Good understanding of UNDP programming modalities
• Fluency in [working language in the Country Office, as well as the language in which the report will be published –if different-]; Knowledge of local language(s) [if different from
the working language in the Country Office, as well as the language in which the report will be published].

**National Experts should have:**
- Fluency in [working language in the Country Office, as well as the language in which the report will be published –if different-] and [local language(s), if different from the working language in the Country Office, as well as the language in which the report will be published].
- Track record in relevant research.

5. Required Skills and Experiences

*For a generic list of types of expertise, see section 3.2 (*Building your team*).*

In the case of the **Team Leader**, the following could be added:
- PhD or Masters in a relevant discipline, such as [e.g. Political Science, Development Studies, Sociology, etc.]
- Knowledge and experience in [name of the country] or the region preferred.

In the case of the **National Experts**, the following could be added:
- Masters in a relevant discipline, such as [e.g. Political Science, Development Studies, Sociology, etc.]
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