**Political Economy Analysis of Health Financing Webinar Transcript**

*December 4, 2018*

Hi good morning everyone,

I’m Sarah Swift with the Cross-Sectoral Programs team here at USAID and first before we get into the substance just want to cover a couple of housekeeping items. Were scheduled to go from 8:30-9:30. Your audio link works for hearing, but you won’t be able to speak directly into it – please submit your questions via the chat box. You can do this by writing your name/country in parenthesis at the end of your question. If you have any technical issues, please use the chat box to let us know or send an e-mail to Ryan Aghabozorg, and his e-mail should be there, please do let us know.

We are very lucky today to be joined by 3 senior experts in the field. Their bios can be downloaded from the left-hand pod, so I won’t go into great depths, but just briefly you’ll be hearing from Nathan Blanchett from Results 4 Development, speaking on experiences around Ghana expanding resources for health and discussing Kenya where there has been a recent high-level commitment to Universal Health Coverage. And finally, Jeff McCaskey from DAI speaking to experiences working with DFID in Nigeria and looking at what donors can do to work in a more politically engaged fashion. This webinar will be recorded and made availiabile a few days after, the presentation can be downloaded using the file download box, which will be availiabile at the end of the webinar. I hope that’s all clear and again if there are questions please do go ahead and share that by the chat box.

Just a quick introduction, this is a follow-up to the workshop on sustainable financing for funding quality healthcare in Africa, which was held in Kampala last May. At the time it was not possible to address all the important topics that came up at the time, there was an interest in follow-up on Political Economy Analysis and on behavioral economics. And so, we are looking at filling one of those gaps today through the Political Economy Analysis of Health Finance. And in general, looking at having an exchange around how political economy analysis can be used in the field to help and support our efforts around the Journey to Self-Reliance and promoting sustainability and local ownership of all our development programming. With that, to get us started, political economy analysis is about taking an honest look at the context, so that you’re not waiting for a miraculous shift in political will to see an outcome that’s desired. Thinking and Working Politically is about understanding why those miracles might happen sometimes, and understanding what makes them not miraculous, what are the incentives and interests underlying that. And under what circumstances such a change may happen.

So, you’re going to be hearing in addition to political economy analysis, you’re going to be hearing the term Thinking and Working Politically, and so to break that down, thinking politically is about building an understanding of the political economic and social processes and incentives that are impacting a context. And working politically is about adapting our development efforts to that understanding, including shifting that understanding as it evolves. Thinking politically in its sort of formal form is political economy analysis, we’ll also talk – there are other less formal ways of going about it, and or less formal or more integrated in other processes, um but just to kind of clarify that that is the relationship that PEA is a formalized form of thinking politically.

So just in brief, the definition of political economy analysis seeks to understand social, political and cultural factors, the distribution of power, and how those shape prospects for change and reform. Kind of most simply we think of this as the Jon Stewart asking the question of “Why?” why are things happening? You can channel Jon Stewart or your 4-year-old but trying to go into your situation will a lot of curiosity and no judgement, and understanding the various forces are and the various interests and how we can work with those forces in practice. Just to be very clear, we’re not trying to replace technical analysis, um the technical analysis is critical to understand what the technical and capacity constraints are, to understand what the interventions are that might address those and think about how to do that. But we’re looking at this as a complement, to understand when you’re looking at these various constraints, you know why they may persist, who is winning and losing in a system, who might win or lose from a change in the system, what are the risks and assumptions underlying different approaches and thinking about how that should influence your alternate outcomes. So, we look at this as coming together and helping us to produce technically sound and politically savvy programming. So, it may not be the absolute best technical solution, but you’re looking at combing technically sound with something that’s feasible and politically achievable in any given context.

So just briefly, going to go into the USAID applied PEA framework, and you’ll see a link to see our full documentation at the end, but this framework is designed to slow us down and help us to set back from what might be the natural biases that we all have when we examine the situation. Um, so there are lots of things that we can sometimes we may assume that because things have always been a certain way that they will remain that way, so for instance maybe the cultural roles of women in society, and on the other hand sometimes we assume that new leadership, dynamic new leadership who are trying to address corruption will come and change everything. And, neither of those things are true, it’s a complex interplay of what those factors are, so from the most static, the foundational factors like history and geography, to the most immediate, here and now could be new leadership or natural disaster or things that kind of happen that in and of themselves change the context. And ‘rules of the game’ which are somewhere in between, the laws and norms and rules that are governing behavior. And we look at all these coming together in dynamics, and thinking about how when you consider all the forces acting within society, where might change pendulum come from? What are the potential forces that you can see, you know, looking/pointing towards reform in one direction or another and then when you move towards implication, thinking about how is it that you can – how is as the donor you can work with those forces locally to promote the most sustainable solution.

So just a quick look at sort of what we’ve been doing and where we’ve been over the last few years, um, we’ve had a big cluster of work in Africa and many of those have been in the natural resource sector, um, natural resource management in Madagascar, the Congo, a Tanzania. And those have been within missions with interest in other sector, such as Senegal where we originally did something in fisheries and then there was other interest in the mission last year with one dealing with education and trying to understand the relations for teach strikes and the loss of school days. And we have done some help including South Africa looking at our partnership with civil society organizations around HIV and trying to understand what makes civil society organizations effective advocates with government. Kenya, we were looking at decentralization and looking at how funds were flowing from the center outward, and then another couple of things in health, Indonesia we were looking at Maternal and Child health/maternal newborn health, trying to understand why material and newborn health rates are so very high. Our newborn mortality rates were so very high. And Ukraine we were looking at understanding why tuberculosis treatment protocol were not being followed, and trying to understand the relationship, and better understand the relationship between the old soviet health system and the financing within that. And the adherence to protocols. And upcoming we’re looking at something in Kazakhstan looking at a similar set of issues. So, this remains a young practice for us, so we continue to actively learn from our experience to day, including what are the conditions required for us to move beyond this discreet piece of analysis towards ongoing learning which is truly within the fabric of our analysis. And this is reflected within our cartoon. So as you’re looking to build and understand the context and involve yourself in local systems, which we ultimately need to do if we are truly promoting self-reliance and sustainability, you know even the best analysis is never going to give you perfect understanding at a given point, the commitment that we’re making is to support learning at all stages of the program cycle and programming to continue learning to assume that we’re going to have to make course corrections and hope that in this process we can avoid going over the cliff. So, on the last page you’ll see a couple of resources including guidance our guidance on economy resource analysis and a toolkit on context driven adaptation and would like to invite any one who is interested to e-mail me if you would like to join our listserv on learning around thinking and working politically. So, with that I think we will turn over to Nathan to begin our conversation on some of these approaches within country and talk to Nathan about Ghana.

**Political Economy and Health Financing, Examples from Ghana’s recent health financing reforms (Results4Development, Nathan Blanchet)**

**Nathan:** Good morning and good afternoon or good evening everyone. My name is Nathan and I am a new program director at Results4Development and just started as a technical director of a new program funded by USAID called the Health Systems Strengthening Accelerator, very happy to be with you all today – the webinar brings together two of my favorite topics, so a big thanks to Sarah and Ryan and the whole team that organized this, and I will be sharing two examples of a couple political economy approaches that can help us understand some health financing changes that have happened in Ghana and those same approaches I think can help guide or understand changes elsewhere. So, we will start with just a little bit of country context on Ghana, and an overview of their recent health financing reform. They’ve had many over the past several decades and then two political economy approaches I mentioned are ‘agenda setting theory’ and an approach you’ve probably heard of it, it’s very common, called stakeholder analysis. And I’ll apply the first one to the successful launch of Ghana’s major national health insurance scheme, a big bang kind of launch with a big system changing reform. And then second a little bit narrower focus on what was ultimately a failed pilot, it changed the way primary healthcare provides are paid under the NHIS. And then I’ll wrap up with just some considerations for how we might bridge the gap that I think often exists between sort of knowing about and understanding political economy and integrating political economy approaches into our work, which is the tougher bit to figure out.

Just a little bit about Ghana if you don’t know, in West Africa population of 28 million, classified as a lower middle-income country, the population health indicators have generally been improving, for example under 5 mortality rates was 92 in 2002, it’s now 55, so a greater reduction there. Similarly, an improvement in the percentage of out-of-pocket expenditures for health, which has dropped about 64% just before the NHIS was started in 2002 to now being about 36%. And in the health financing space, this slide show shows a very high-level summary of major trends in Health Financing in Ghana in the post-colonial era; Ghana achieved its independence in 1957, in the 60s they had a tax funded pre-funded policy for all, but service delivery was quite limited. In the 70s/80s with increasing macroeconomic challenges and a structural adjustment program, you see the introduction and great expansion of user fees, starting at the hospital level but then affecting primary care also. That system became known as ‘cash-and-carry.’ In the 1990s, there was a lot of experimentation, a law funded by USAID and VDE especially and growth of community based health insurance schemes, so there were a couple of 100s of these by the end of the decade, and they had a lot of success, but never achieved high levels of population coverage, there was only about 1 to 2% of the population that was ever covered under those. The problem with cash and carries became increasingly unpopular and controversial policy and by the late 1990s became a key political issue in the 2000 election, which was a historic election because it was the first time the opposition party won the presidency and the parliament. And that party, the MPP, it campaigned on abolishing cash-and-carry, establishing a national health insurance system, and they were able to launch it in 2003, before the next election. So that’s a very rapid run through of 50 years or more of history, and the national health insurance scheme that they successfully launched was really a big deal, this was very much a big bang reform created nearly overnight, given that history, it created a system that all Ghanaians are eligible to join, provide the very broad benefits package, no co-pays, and people can access care at both public and private providers. I’ve highlighted on this table the one point that may be the most important one for us, and that is the financing. It may be the biggest coup that the policy makers pulled off in launching this scheme, adding 2.5% points to the existing value added tax, brought it from 12.5 to 15% on most goods and services in the formal economy, and that source of financing was the one that provided about 70% of the NHIS revenues. Another 20% comes from social security tax carve out. So, this was a very big deal, both the whole structure of it and that financing of it, so how did this happen? Um, and you know what can it tell us about something like this happening elsewhere? There is a very, pretty well known in political science circles, agenda setting theory by John Kingdown, called the multiple streams framework, and it’s been applied to many reforms to try and explain why a large-scale reform happens or does not happen, and in a nutshell, the theory is that there are three major streams that need to convert, a problem stream, a policy stream, and a politics stream. And when those converge there can be a policy window that is open, often-times with a lot of action by a policy entrepreneur, and that convergence can lead to a big reform. So if we follow this in the Ghana case really quickly, the problem: So in Ghana the general sort of issue or condition of financial risk of healthcare, really crystalized into not just a general issue, but into a clearly identifiable problem, that was widespread, felt quite severely – there were prominent media stories about women getting handcuffed to hospital beds after giving delivery and not released until their families paid their bills, and Ghana has a very lively media, so this problem really crystalized at that time. Now what to do about it, in the policy stream there was a global movement that was moving more towards social health insurance schemes, in Ghana there has been experimentation with community-based health insurance schemes, but the policy makers still face the challenge of what and how to launch a national program. A couple things happened here that were very important, in this stream. First one is that the policy makers sort of gave up on their original idea of having a very centralized national program, and they used district-based health insurance schemes, which leveraged the community-based history, and Ghana’s decentralized political structure, and yet it still met the political goals of national programs. Now on the VAT, the other very big deal here, historically at this time there had been IMF pressure on the government to raise the VAT but that was seen resistance by the government as an unpopular move, but then there was some discussion that there had been success with the public in public opinion in a past example of ear-marking a part of that for education, and that was a critical piece to get the ministry of finance to support and the bill was launched with that and that has gone on to generate 70% of the revenues.

Moving to the politics, this was an urgent time for the opposition party (MPP) they had been in opposition, won the election in 2000, so there is an institutional component here in which democratic elections played a part, and they made a clear political promise to abolish cash-and-carry. And this policy window had opened as the party had gone through a technical working group to try and hammer out the policy but was under increasing pressure to do something big before the next election. And this is documented quite well in several articles, one of which is referenced on the slide here, and they were able to pass this major bill before parliament recessed in 2003 and headed into an election year which they then one. So those four streams help explain how this happened in the past, they can also help prospectively, looking at what might be possible in the future, you have a problem on your hand, you might asses what’s going on in the identification of the problem stream, the policy stream, the policy stream, etc.

So, moving on I’ll try to not take too much more time, but to give one second example this is a bit narrower, throughout the history of NHIS, there continues to be a series of smaller health financing reforms, and the one highlighted on the slide here is an effort to change the way the NHIS pays primary care providers. Changing it from a fee for service-based system to capitation, where providers get a set amount of money per month per patient that enrolls with them and they have a responsibility to provide a package of care for that amount. This was piloted in the Ashanti region which was a very curious choice by the government which now has switched back to the NBC, the Ashanti region is a stronghold of what is now the opposition the MPP. The government starts to pilot this big change in how primary care providers are paid, and they ran into a lot of problems. The public with stakeholders, and stakeholder analysis as many of you probably know is really all about analyzing those stakeholders who have both a stake in something and an ability to influence an outcome of a policy, and measuring their knowledge about it, their position on it, their power vis-à-vis this policy, etc. And mapping that out in a way that you can either shape the policy or engage in various approaches to sort of shift that distribution for policy. In this case, you see on this slide they have a problem with several groups, public health providers really misunderstood, or you know, did not understand the concept of capitation, that they would be paying/getting paid for patients who did not come in addition to the ones who did come to see services. The sheer revenue loss and particularly the smaller facilities that didn’t have the ability to provide a whole package of care, faced a risk of closing. Similar kinds of worries were found among private providers who joined with midwives associates to suspend participation in this. A prominent advocacy group called the Ashanti Development Union organized protests, you can see a picture of one there that says, “the Ashanti region is now the graveyard of Ghana,” and various others. Civil society, churches, traditional leaders, etc. viewed this move first as politically motivated and joined those protests, and ultimately the pilot had to be suspended and the current government is now reformulating a way to go forward that will still get the economic efficiency gains and the health gains that they want, but really roll this kind of approach out in a very different manner.

I’ll leave you with just these thoughts, they are my own considerations for future health work, and I think the challenge here is to move from appreciating political economy, to integrating pieces of it into our technical work. We need to recognize that all health system change is inherently political, it’s very important to be able to seize the opportunities and to be watching those problem policy and politics streams to make good choices about those. I’ve been wondering recently about whether USAID could use something like the gender analysis and the gender action plan as a model for integrating political economy approaches in the project work, that’s very much a question and I know it may have pros/cons, adding in in another required analysis, but something like that might be an approach to sort of mainstream this. And then you know, I would love to see in our own work, and others – more concrete deliverables being put into scopes of work for projects that sort of adopt some political economy approaches. I’ve added in a few here such as political economy scans before objectives are completely set, al the way through various types of analysis and things like strategic communications plans that really try to do something about the political economy landscape that is found. Last point is obviously, there is a huge need for local expertise to guide a lot of this and make sure you’re getting the right information in and the right interpretation of that information – external perspective I think can help guide things and provide a framework, but that local expertise is essential. I’ll wrap up there, thank you and apologies for going over my time a little bit. Thanks.

**Sarah:** Thanks, so much Nathan, that was really fascinating and very useful and appreciate your perseverance through the beeping sound. Thanks to everyone else for persevering through that as well. Now we’re going to go East and Sunita Sharma will be sharing about work in Kenya.

**Suneeta:** Hi I’m Suneeta, director of health of health policy plus project, good morning/good afternoon/good evening everyone. In this presentation I will share our experience of Kenyan government leadership in Kenya, to mobilize domestic resources for HIV and health within the evolving contexts of health sector reforms and evolution. We will look at five examples, why key actors blocked or supported reforms, and how understanding their political economy lead to the reforms package, being changed to align better with local incentives to push it. We have focus and high-level advocacy and provided technical support for increased national and county budget allocation for HIV and health for the execution of allocated funds, we provided evidence to inform these decisions and actions. And counties and programs and budgeting. I would like to highlight a couple of major themes in Kenya’s health sector reform. The introduction of the formalized transfer of funds to counties involving the counties in primary and secondary service delivery, adoption of key national policies to remove user fees of primary health care, and also additionally last year the government announced it’s commitment to achieve UHC by 2022, it is a very ambitious plan but the government is approaching this as a stage by stage reform, which involves in the implementation of multiple avenues. This will involve reform funds in reaching universal health coverage. What does this mean for HIV? It is evolving, and the evolution has gathered pace. The connection between the two must be very strong for us to write the wave of health sector reform for HIV sustainability. Reduction especially in PEPFAR spending, but also the global fund allocation to the country, because Kenya is becoming a middle-income country. They evidently which means that funders like PEPFAR will also change, and the fund will be available, will move more towards catalyst and technical support rather than pure service delivery and the right level. Second is the need to integrate HIV services we can not have, vertical programs especially for how health workers are managed, and how workers have incentivized. We used to pay to have separate ART clinics, which cannot continue. There is a huge increase in anti-viral treatment coverage with requires new ways of thinking on how to deliver this in Kenya’s health system. WE will talk more about this, but there needs to be increased funding for critical. Kenya has been trying to do health sector reform for a long time and some of these issues have led to insurance and bringing forward a single national payer that we tried before, and because of the political economy of Kenya at the time, the lack of consolidation around its reform agenda, they could not move forward. But you can see over time there has been consolidation at the national level before devolution. There has been more work to prioritize the role of country governance as critical decision makers for health. But in addition, we have also seen a national reprioritization of the national government and what they should do. They have been setting the agenda and the stage for major health sector reform, especially the national health financing strategy, which is now prioritizing NIH as the agent for achieving Universal Health Insurance coverage, using a single national health insurance fund. Recently Kenya has put forth a policy agenda and one of the agendas is UHC by 2022, is a major reform.

So, let us look at how to navigate the reforms for sustainable financing for HIV in health. First, we must work with both national and country governments given that the roles are split between two levels. It is important to focus on helping countries operationalize the PFM act, which specific exactly how counties must be given funds and that counties ultimately have authority on how they can expend the funds. The PFM act gives them authority on how to elevate those national resources except for conditional grants. We confirm the advantage of health financing at the national and county level. National government is still responsible for most of the critical HIV services, even though some of the top consumables in primary care medicine have moved to county levels. But the counties are responsible for service delivery and especially for prevention. Counties under the PFM act have brought authority over how they want to spend the funds, they may not prioritize health or HIV, and may not be given to counties that have the greatest needs or have been previously disadvantaged. The commission on revenue collection doesn’t necessarily consider those things in their formula. Then the major reforms happening towards achieving UHIC (Universal Health Insurance Coverage) are not necessarily considering HIV and vertical programs. The last element of HPP+ has been at the county level, we have been working in 26 counties including a more invested focus on 9 deep dive countries highlighted in blue. The MoH mobilized 68 million dollars for ARVs and test kits over the last 3 fiscal years and has committed 85 million over the 3 fiscal years. Our work in 26 countries focused don operationalizing the PFM app, and providing support at the county level, which has provided new funding, mobilized and allocated 90 million for health of which 6 million was mobilized and allocated for HIV. We’ve conducted public expenditure reviews in these counties, provided essential information to county decision makers, to identify inefficiencies and bottle necks in the release of funds, we have supported the countries to develop a work plan to improve health system efficiency, and performance indicators. WE have already seen exiting improvements in counties based on the county work plan, for decreased out of pocket expenditures to stopping and reducing pharmaceutical waste.

So how have we changed the game, in addition to the results related to resource mobilization, we have also documented movements towards sustainability of our approaches, and our ongoing approach on PEA has helped us to achieve these milestones. National committees adopting the curriculum with HPP+ support to use in other sectors, trainings conducted in partnership with MoH, Treasury, and Kenya’s school of governance, harmonizing HPP with other processes and outputs. HPP+ supports extended to other projects and counties. Thank you very much and I am so happy to share these results and will be happy to answer any questions you have.

Sarah: Great, thank you so much Suneeta. It was extremely interesting, and I look forward to having more discussion after our final presenter. We’re going to go to Jeff McCaskey from DAI, to talk about experiences around health finance in Nigeria.

**Jeff McCaskey, DAI:** Great, thank you everyone and I want to thank David Ishrat and Sarah for including me. I will build on the prior discussions and hopefully make it snappy, so you can get your questions and answers rather than bore you with more of my stuff. This is just a picture of in my view the challenge and imperative we must be smarter about how we do our work and support increasing domestic resource mobilization and smart financing. I’ll be speaking a bit about DFID’s wok because it may be a bit more mature than USAID so it has a bit more in terms of perhaps insight and also lesson learning, and part of DFID’s portfolio has been split between whole of government political economy work, recognizing the ministry of local government and financier important to the health sector, and sometimes the health sector itself, but also sector specific PEA. There is also some work DFID’s been doing around political and change oriented programming, and this gets into some risky terrain which I’ll touch on a little bit later, and combinations of the above. So, what I must do is again summarize what things have worked well and where we might take that going forward. So, in Nigeria from 2008 DFID employed PEA for program design what they called ‘business cases’ but also had its implementers do PEA during the inception phase, with the aim of unlocking the coffers of state government. In Nigeria there are three tiers of government, federal, state and local government areas, and through actions taking place at the state level in terms of potential for financing and health sector reform. Local government areas are highly decentralized, and some would say the design is set up for failure because you have too small unit for population to administer professional service, let alone health service. And the federal government is too far removed from where services are required. So, DFID initiated a range of efforts around whole of government work, some of the technical components around administering a proper governance system around public financial management, around planning commission level effects of strategies, around health sector governance and systems and strengthen building. The one thing that comes through that has been mentioned before is that the relative immaturity of the systems an institution working particularly in many sub-Saharan African countries means that today’s apparent victory can be tomorrow’s set-back, or todays’ set-backs can be a victory tomorrow. So, based on the combination of the DFID initiated sector-wide whole of government political economy analysis, the health sector political economy analysis and the business case, and the political economy analysis we undertook, we identified a couple set of key issues that Sunita and others have referred to. One is this persistent fragmentation at both the policy and operational level. And what’s important about that is that certain stakeholders have been interested in separating that fragmentation for many reasons. A second point that came up was that there was an absence of coherent visibility on finance, personnel and medicine. So, although in theory the federal level managed tertiary, secondary, and local governance primary care, in reality it’s quite mixed up with managing primary care, and local initiative for managing secondary care which means there is no coherent visibility on financing personnel medicine, which leads to potential general inefficiencies. A third critical finding and I’d like to emphasize, was the role of informal power structures in the case of northern Nigeria, particularly the XXXXX was quite a powerful force and if we recognize how that intersected with the formal civil service power structures, it became an interesting entry point and as a new mayor came in about five years ago, it became a particular opportunity for affecting change. Out of these analysis at the federal, state, and local levels, a number of key issues came up, and approaches. In terms of federal policy, and breaking up the fragmentation, and the concept of primary health care under one roof, and that was really devolving budgetary, human resource, and procurement oversight responsibility to state level and having a coherent overview of the finances, the people and the medicine. There was also a deliberate efforts around building state level legislative processes, medium-term planning budget cycle, and in three states they set up pooled health funds; not everyone is comfortable working on Treasury in Nigeria, but at least an increasing number of donors and partners are working on budget, so working on USG money, versus DFID money, it was all the visibility of the total pool of funds, which will help with efficiency and accountability. And all together this contributed to a foundation for the strategic approach that would be adapted particularly in the state of Gigowa, to adapting a WHO e-Mock model for RNCH, and then having a cost of essential service packages and demonstrating the feasibility of results-based financing, in that setting. And that work is continuing with bank support over the last couple years. The outcomes of all this are that there were some important improvements around legislative regulatory context, which again is sensitive and political, but there are ways of engaging with it, who the actors are, and what their interests are and how to create leverage. There was some progress around funding and budget execution, not just budgeting the funding but appropriating and utilizing it, and those things are predicate to an improvement provision and uptake and access to the use of health services. There were some important lessons learned and as I mentioned before, vulnerable political contexts change that can be a positive development is subject to political whims, and this year’s governor may have some great ideas but when a new government comes in on the next election, is likely to what to undo what their predecessor did and put their own mark on things. It made a significant upfront investment in PEA work to inform its efforts to manage its risk and to identify strategies that might have affected the political dynamics as well as the improved technical performance. But what it didn’t do is think about the recurrent cost aspect of that, so it did not sustain ongoing PEA work to track how progress was being made or identifying obstacles who emerged, but it didn’t do so in a properly incentivized way in my view. So finally when the work was being contracted, although DFID did say this is really important for you providers to include in your thinking, we want you to think and act politically, it wasn’t include din the accountability framework, and whether they were commercial firms or NGO, that meant they fell to the wayside on the log-frame deliverable packages, so those were just a few lessons learned overall. I want to thank you for your time and interest and hopefully have been concise, but informative that this will raise some useful discussion going forward.

**Sarah:** Jeff, thank you so much that was interesting and as you say we have been relatively new to this and we have been doing our best to learn from DFID and other donors and their experiences. And so, it’s great to hear more about that. So, we’re going to turn now to some questions we’ve gotten, and I’d like to begin with Nathan, and your conversation of stakeholder analysis. How do you determine who really matters, who are the stakeholders that matter when you’re doing a stakeholder analysis?

**Nathan:** That’s a good question, thanks Sarah. And, I think I would start by saying it is important to differentiate between stakeholder dialogue or stakeholder convening and stakeholder analysis, and who you want to involve in the two of those may differ. Stakeholder dialogue and convenings, these are the things that I see happening most often, are broader audiences, anyone may have an interest in a topic or policy, and it’s typically done for purposes of genuine two-way dialogue. You want to get people’s input on things, you want to elevate people’s awareness and understanding of something, you may be looking for new ideas. When that is the situation, that is stakeholder dialogue and can still lead to a larger group’s discussion. Stakeholder analysis is different, it is meant to be narrowed down on those stakeholders that not just have some stake in it, but typically have some ability to influence the outcome of the policy. And then I find that one of the most helpful places to start is by doing some kind of historical analysis of some recent policy or issue that is similar and learning about who matters really in that kind of thing, so if it happened to be something that is documented, just a couple of papers on it often identify the core seven institutional actors that you might start with. Typically, there is snowballing methods that go from there to get sort of that set up people that have some power over influencing something. And then the next step is really mapping out, and you would have variation over who has power over it, from low, medium to high power, and can start mapping their positions. Starting with that sort of differentiation between dialogue and analysis and on the analysis really starting with some basis for deciding who are the most likely actors influencing something and go from there.

**Sarah:** Great, Nathan that was helpful in thinking through beginning with other processes that you can look back on and thinking about who matters so that you can get a different type of power and thinking about that. If other people have questions they want to have answered, please do put them in the chat box. For the second question I want to turn to Suneeta, talk about how we all understand the burden of having all different kinds of analysis required, does PEA require extra analysis and is it terribly time consuming, what would be your thoughts?

**Suneeta:** As discussed, PEA is equally important as technical analysis though when we talk about especially policy project, when we work on it, it’s not an easy decision people make. Do we fully understand the political landscape, different players, and how different attitudes are changing and how they make certain decisions, which is part of the ongoing process? So, the way we work is more achieving direct country teams, looking at the vertical landscape meeting with the stakeholders and understanding their needs, preferences, and how to navigate political environments for policy reform and decisions. One thing is that it’s a live document, I don’t see it as more of a produced report, but at the same time we look at the detailed analysis. We look at health sector reform to inform that process in Guatemala or in Pakistan we also looked at the total market approach where the private sector is not engaged, what is happening? So, for that we conducted PEA analysis like Nepal and Uganda, and so we found it very useful, it’s part of the process and for policy work I don’t see the analysis, but we should plan for it and it should be part of the workplan and take some time for it because this very useful. We can do excellent technical analysis, but we will not achieve the policy goals or the reform goals we’re trying to achieve until we’re really understand the political side of it.

**Sarah:** Thank you Suneeta, that’s helpful, especially the conversation of integrating it and making sure that it’s a practical part of your input into the programmatic process. The challenge of meddling in politics and how we can do that as a donor, and I’ll start. To begin with we’re really begin by trying to understand the politics and in the process of understanding the politics, understanding that whatever we’re doing we’re having some impact on the political process. We were a part of the system and having an impact within that. And so when you’re looking at the way we’re looking at understanding the politics is really trying to think about what those risks are more explicitly, understanding that either way, there may be some level of impact and then also really trying to get behind local actors, so we’re trying to look at what types of changes will be sustainable, what will lead towards greater self-reliance within the context, and that we shouldn’t be the most visible actors, we should look to see what else is happening in the context that we can turn to, that you know that we can get behind. And support different coalitions that are more locally prone. So, I’d also like to ask Jeff to talk about from his experience how you address the perception of meddling around politics and how do you mitigate the risk with becoming visible or being political during challenging transitions?

**Jeff:** Thank you Sarah, and thanks to Suneeta and Nathan as well because I can just build on the points you’ve all made already, in our experience, there are sort of 3 things to bear in mind: 1) the investment you make in understanding the political dynamics of your environment and utilizing that insight is an investment and so what’s the level of effort versus return is a question you need to look at carefully, but in our experience, and the more you peel back the onion to understand what you can and also what you can’t understand the more likely you’ll be like to both manage risk and identify opportunity. On the question of actual risk and getting involved, I think it’s the 3 points that we’ve learned are 1) to be 125% consistent on your message around your purpose, and to demonstrate that. I know this sounds a little Pollyanna-ish, but to really be committed to UHC or building systems that could achieve health equity and universal health coverage, then doing that in everything you do. The second thing is that as Sarah suggested, which I call leading from behind. Playing that role of the catalyst among the actors that are there but making sure that they’re operating on their interest and their perception of what in their interest/public interest as well. The third thing is around, and this touches on both the question that Abimbola raised and that Nathan touched on, getting a reliable understanding of your stakeholder mapping, it is in our experience is about continuing to triangulate how people see one another to follow the money and to look at the behavior of institutions, but also of individuals. And in my view, economics is ultimately a behavioral science in terms of how people put their money against priorities.

**Sarah:** Thank you Jeff, so next Jeff gave us a little preview, great question from Abimbola in Botswana, which I’d like to turn to everyone. So, the experiences from Ghana/Kenya/Nigeria indicate that governments have different policies to ask for directions, that partners will have to navigate, to implement appropriate interventions. So, using PEA theory in practices, how do you centralize a government to improve efficiencies? What will be the entry points against the government views?

**Suneeta:** Always I think part of the process is evidence, which is important. We work on the decentralizing or UHC, presenting examples of other countries, how they’re doing, it helps. And linking decentralization and decisions to where things are happening, and you have a better understanding of those issues. But at the same time understanding the political landscape. What is the ministry trying to achieve overall, not just the health sector, decentralization is much better? So overall, their vision 2030, what are they trying to achieve and what are some strategies they’re looking at, and one way to do it is to decentralize and be more efficient to be able to maximize resources and achieve those goals, it’s about aligning what they’re trying to achieve and present different options for them to consider/look at and engage the right stakeholders, some decision makers are in favor of this, why is it difficult for them to have health sectors. And they can demonstrate that they’re being efficient, so this is one way to make a strong case for the health sector as well, they can show they’re efficient and they can get money from the Move. It’s complex with several things involved.

**Sarah:** Understand that you’re not looking for one perfect solution and that you have different options. Nathan do you have any thoughts on that?

**Nathan:** Great, I agree with all that, I would want to be very particular and detailed about the winners and losers, to use a blunt phrase, that may occur with decentralization. And in a few different respects, I’ve often found it’s helpful to differentiate the interests that people might have that a policy, whether they’re economic, ideological, or just power interests, people that like to keep control of something. Decentralization has the potential to upset all three interests. May be a financial loss of agency/actors at a higher level, a devolution, but can that be mitigated in a way? Monitoring that can be put into place to assuage that fear of losing oversight power. There may be ideological resistance to moving power away from the center. I think what happens is people are sort of aware of those things but never map them out explicitly. You may not be able to change these things, but the monitoring example that I gave that may be will reduce some resistance to a change like that.

**Sarah:** Jeff, could you weigh in on that question as well? The experiences of devolution and the interests of government.

**Jeff:** I’d say that in the first instance, getting agreement on what the purpose is, if you look at the recent literature, the evidence on the impact in terms of improved responsive services and accountability and fund utilization in decentralization is very mixed, so if you’re aim is decentralization you’re almost setting yourself up for failure. We all believe that a couple years protected, and contraceptives is important, but the purpose of that (I think) is around reducing maternal mortality and neo-natal mortality. So, if you phrase the question from that standpoint leads to a different discussion. When we talk about family planning, that’s a difficult issue, but when you talk about saving mothers and children that becomes a very different discussion, so in our policy reform discussion we need to talk about what we’re trying to achieve, and decentralization in most settings shouldn’t be an aim, but a means to an aim.

**Sarah:** Moving to the next question for Jeff, if you could talk a bit more about how do we make best/better use of informal power structures, could you talk a bit about that from your experience?

**Jeff:** Yeah, I just touched on – I think it’s getting clarity about what do people want to have happen and understanding how informal power structures do relate to the formal ones. In northern Nigeria, they’re relatively mature and certain domains remain powerful where it’s quite different in southern Nigeria, so that contextual awareness is critical. I’m going to Nepal next week for a health sector review, but there is a concept of decentralization, forma/informal power structures, and lack of clearly defined rules of how it’s going to work. It will be that intersection of informal power structures lie and traditional leadership structures and how they interest with conventional modern medicine, or cosmopolitan medical structures, will be able to find that frisson, that can get you some traction, so there is both a kind of popular legitimacy as well as a technical integrity to what’s being done. And the example before I gave about family planning versus saving mothers and neonates I think is relevant to that as well.

**Sarah:** Another question to Nathan and Suneeta, looking at how you overcome lack of transparency when gathering PEA data when the status quo benefits those who are controlling the health system.

**Nathan:** Great question and that is clearly a major challenge. Maybe one perspective is to just take this as a tough qualitative research method, and I think that the two things in method that can help with that is one is triangulation, someone used that term already and the more sources of information the more interviews you can conduct, the more sources you can read, the more you will be able to triangulate authorities, across many people. And often it’s through that triangulation that the gaps or interests that people may not be explicit about can become apparent. And clearly you know having experienced researchers who know very well, who may be lied to throughout a whole interview helps. And the other thing is just another reason why insider local expertise must be integrated into any kind of political economy analysis effort. The people that know the rich detail of the context and can help see one that figure out those gaps through triangulation and use of insiders is the best I can think of for that but it’s a tough challenge.

**Suneeta:** Great point and I would just like to add that there was some discussion at the HSR meeting this year and they were talking about health Sector reform teams to lead this process to build capacity to use tools and techniques, and locally people understand political landscapes and they’re very involved, for example how many , mobilizing more resources from MoF, so they also need to understand the landscape or what kind of messages they need or they should talk to all of them, internally, health sector reform people or those internally are locally driven process can be very useful.

**Sarah:** We have one more question that is coming to us through the chat, could be a good question to conclude on, but if you do have other things then please get them into the chat now. I’m going to turn first to Nathan to talk about the political environment and understanding the political environment is not static, how have your efforts for development projects kept your PEA up-to-date? Projects that have conducted PEA updates. Nathan?

**Nathan:** Great question, so I strongly agree with the first part of this, the political environment is not static. To be perfectly honest, I have to say generally no, I think efforts I’ve seen the most common thing you see is some attention to it in that program design phase, that PEA kind of approach done, but then there is very clearly a risk and pattern of that and sort of dropping off, and Jeff mentioned it too, with DFID’s efforts with that upfront investment and then maybe not quite enough ongoing. Some of it is done implicitly in that way, one very important thing is the working relationships that you develop with whichever partners that you’re working with are just extremely important. The better those working relationships, the more often you’re talking and the more able you are to implicit integrate changes in the political environment. We and others do that well, but there is a lot of room for improvement, some people use the term pause/reflect or pause and learn, that kind of approach and take that approach on Political economy landscape.

**Jeff:** I’m not going to disagree with Nathan, I agree completely. I think as we recognize the increasing complexity in the environments in which we’re working, we see the need for some systemization for the analysis of the stakeholders and their evolving interests, the investment usually goes in up front. I was just in the set of Global Fund transition meetings in Geneva/Berlin, and the point that came out of those consultations was as we talk about graduating from ODA, what are the key performance indicators or maturity indicators of systems and institutions to allow the kinds of things we all hope will happen in the public interest to actually happen, and how can you look at some of those things in a specific context and see what you think are likely to be the drivers of that trajectory and be able to build them into your routine surveillance monitoring so that you can track how those political trends are moving. Um, yeah that’s my thought on that. I think there is more work to be done on that and particularly those who are better looking at the ODA transition agenda, there is a real imperative for that. Part of that interest around political economy analysis and how we can do all that more efficiently and effetely moving forward.

**Sarah:** Thank you Jeff, I really appreciate that. Just to add a couple of really brief thoughts on that because that’s really the fundamental challenge that we’re confronting, how do we keep our understandings up to date, how do we do it without it becoming an undue burden on the mission and the implementers, and engaging in this process, and then how do you know what’s good enough under different types of circumstances? I think we have had some missions and projects that have integrated PEA in an ongoing way, and that can be successful but does take some substantial resource allocation, and we’ve also seen several different approaches to kind of slightly formalize what has mostly been an informal or innate understanding. We’ve talked to missions to take time together on a weekly basis over tea in Nepal, they had talked about ‘tea talks’ and about what some of there understandings are from their network, personal and professional about the latest political development, and how those might be impacting their programs going forward. Pivot logs where you make a small adjustment in programming and make a record of what it is that is indicating such a change. There are many different kinds of approaches and different things that range from full formal PEA to things that are much less onerous, and within that I’d really like to point you to some of the resources we have within our context driven adaptation collection, which talks about how we can make this understanding live and become updated and really part of the fabric and thinking we integrate within our programming. Pause to reflect, our collaborating learning and adapting practices. So, we do have several resources within that collection, and that’s one of the web links you’ll see on your left side. We have it both external on Learning Lab and internal on ProgramNet, mostly the same, but just a couple of additional things on the internal collection. I think you’ll see some things on that that can be helpful. Along those lines, there are a number of resources there that can be useful as well as files that have been shared and we will be sending an e-mail with additional resources and recording of this webinar as soon as it’s available. Is there anything else? I think with that, thank you so much to everyone for your participation and for the great questions!