Situation Analysis

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This document is a printable version of the introductory guide on the [Situation Analysis](#) topic page of the Targeting Natural Resource Corruption (TNRC) [Knowledge Hub](#). It provides corruption-relevant guidance for practitioners to strengthen their context-specific programming responses.

Contents

Key takeaways

» Understanding **corruption** helps conservation and natural resource management practitioners address the threats that it can pose to biodiversity conservation and other environmental objectives. A **situation analysis** that includes corruption provides these insights.

» Situation analyses of this kind are mainly concerned with issues of **power** and **risk**. These analyses capture the **drivers** and **facilitators** of corruption and highlight entry points for and limitations on change. They help practitioners "unpack" the concept of corruption into parts that make it easier to identify **vulnerabilities that may derail implementation** and **feasible responses to reduce the risks that corruption poses to objectives and impact**.

» Situation analysis should always start with a **specific question** about what you are seeking to understand. While some can be lengthy and detailed, the "best" situation analysis is the one you have the **time and resources** for and that you will **use to inform programming** or strategic thinking.

1 What is situation analysis?

Stakeholders, rules, and organizations responsible for conservation and natural resource management (NRM) interact in complex ways to determine how natural resources are managed, the degree to which they are conserved, and how benefits are distributed. The role of corruption[1] in such scenarios is equally complex, involving not only individuals, but also institutions, processes, and networks of power and decision-making. This "systems" understanding of both conservation and corruption means that successful projects need comprehensive insights about context. Situation analysis is a means of attaining those insights.

"Situation analysis" broadly refers to any type of analysis that captures insights about a phenomenon and the context in which that phenomenon takes place. Situation analysis is common in conservation and natural resource management programming, but corruption is not always clearly treated in familiar conservation and NRM models (see Box 1).

Box 1. Familiar approaches to situation analysis in conservation and NRM programming

Conservation and natural resource management practitioners may recognize "situation analysis" as a step in environmental project design. Conservation Action Planning (CAP), Conservation by Design, and other conservation project standards use situation analysis to understand the project situation, i.e., the indirect threats behind each critical threat, the opportunities upon which to build, and key stakeholders. Corruption, or "governance challenges," may be one of the threats, but is usually not the core focus of the analysis (though it can be).

Practitioners may also associate situation analysis with their organization's Environmental and Social Safeguards (ESS). ESS are a form of due diligence that address adverse environmental and social impacts that may arise in the implementation of projects. However, these analyses are not usually designed to assess and understand corruption-related risks and may only address risks like bribery and compliance in business operations rather than the broader risks corruption may pose to desired outcomes.

Finally, the situation analysis described here is not the same as partner risk assessment or financial due diligence. These practices assess the risk that specific funds recipients may engage in fraud, corruption, or misuse of funds and establish expectations, practices, and rules to mitigate this risk. While some of the approaches to situation analyses described here may uncover specific risks among specific partners, this is not their core purpose.

Applied to NRM and/or conservation efforts, corruption-oriented situation analysis helps practitioners "unpack" the concept and practices of corruption into parts, which generates useful insights about types of corrupt behaviors and their impact, corruption-related risks to conservation and NRM objectives, and how the project context contributes to such risks. Such analyses can help answer questions like:

» Is corruption a major risk to my project success? How, specifically, could corruption threaten project outcomes?

» What are the types of corrupt behaviors that are likely to impact my project, its planned activities, and potential partners?

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[1] Corruption is regularly defined as "abuse of entrusted power for private gain." This includes any dishonest or fraudulent behavior that involves someone using their position of power to benefit themselves at the expense of others.

» How is corruption viewed and defined by project stakeholders and local populations?

» Who are the stakeholders involved and how do they benefit from the status quo, or how might they benefit from change? What power do they have to promote or protect their interests?

» What role does geography, conflict, political instability, inequality, discrimination, crime, etc. play in exacerbating or limiting corrupt practices and corruption-related risks?

Situation analysis can be comprehensive or narrow in scope and can target any scale of activity (see Figure 1). Regardless of scale, however, situation analysis should always start with a specific question about what you are seeking to understand. For example, instead of asking "how much corruption is there and how might it affect my project?" a more effective set of questions would be "what are the main corrupt practices that directly and indirectly threaten the objectives of my project, in what arenas are they happening, who is involved and why, and what alternatives are most feasible to mitigate and address these threats?"

Figure 1. Situation analysis at different scales

Macro-scale *International, regional, national*	**Meso-scale** *Sector, landscape, organization*	**Micro-scale** *Project*
to enhance sensitivity to context and understanding of the broader environment	to identify specific barriers and opportunities within a particular sector, landscape, or institution	to understand and resolve a particular problem at the project or local level

This kind of situation analysis usually requires stakeholder and expert involvement, so that the questions asked are informed by knowledge of the issues and appropriate to the setting and the findings are appropriately interpreted. While this type of analysis could require several months of work, depending on its depth and scope, it is important to keep in mind that the best situation analysis is the one you have the time and resources for and that you will use to inform programming or strategic thinking.

## 2 Conducting a corruption-focused situation analysis

Corrupt practices undermine the sound management of natural resources, facilitate environmental crime and illegal trade, and drive resources away from the public good and into private hands. Corruption-focused situation analysis can generate insights into the political, economic and social dynamics that drive corruption as well as the static conditions (legal and regulatory frameworks, for example) that facilitate it. This information can help reshape program design and implementation toward more feasible and sustainable results in this context.

2.1 Broad approaches

Generally speaking, there are three broad approaches to situation analysis that aim to address the role of power and risk in a system context. When applied to issues of corruption, these approaches also capture the *drivers* and *facilitators* of corruption. Risks are structured by these drivers and facilitating factors, while distribution of power shapes opportunities for and constraints on response.

Political economy analysis (PEA) seeks to explain how formal and traditional institutions are shaped by political, economic, and social incentives and decision-making. PEA is the broadest of the approaches to situation analysis, because it focuses on who has power, what determines levels of power, and how power is exercised *throughout a system*. There are a variety of approaches to PEA, and it can be applied at any scale, but the core of its methodology is the analysis of how foundational factors, the "rules of the game," and people and organizations (and their power) affect a particular problem.

Figure 2. Outline of WWF's PEA for Conservation Impact (PEACI) Strategic Framework
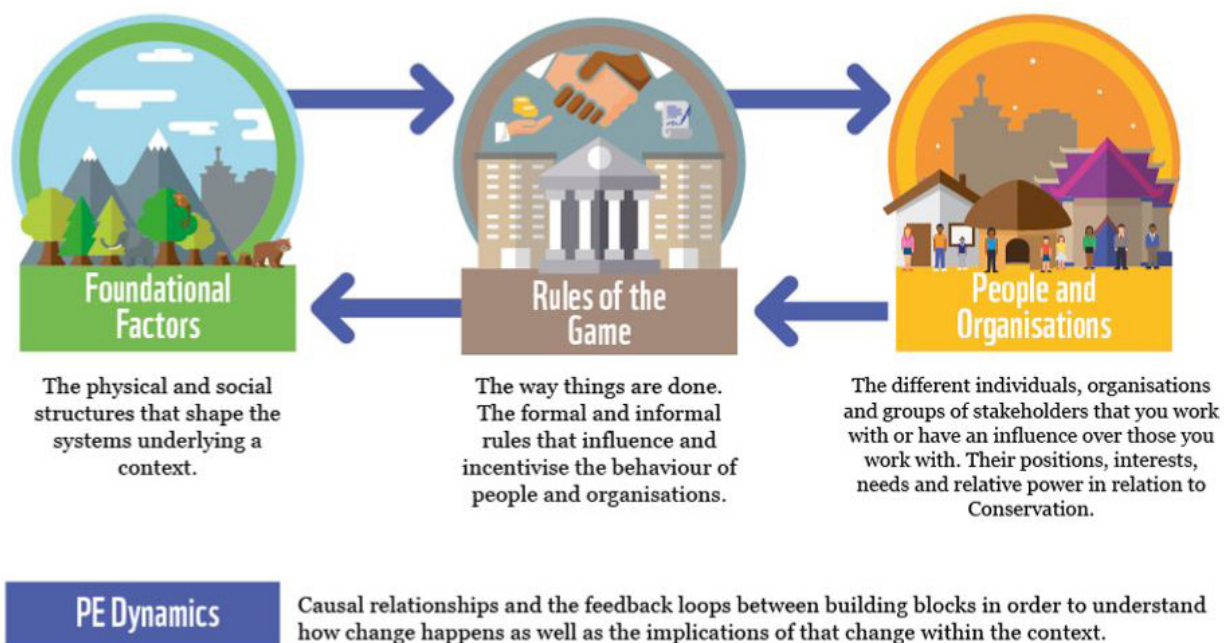
While a full PEA will provide the most comprehensive understanding of the context, certain elements of it can be applied on their own to answer specific questions practitioners may have. For example, examining the "rules of the game" will help understand the formal and informal influences on key actors' behavior, such as incentives, relationships, and capacity for collective action. The "rules of the game" encompass both the formal constitutional and legal framework, as well as informal norms and social and cultural traditions that guide behavior in practice.

Table 1. Example "rules of the game" that influence conservation practices

Formal rules	Informal rules
· Legislation, regulations, and policy · Officials codes of conduct and procedures manuals · Bilateral or multilateral agreements or contracts · Trade rules (tariffs and subsidies) · Human and indigenous rights treaties and agreements	· Land stewardship and environmental protection norms and expectations · Indigenous and traditional cultural practices, customs, and worldviews · Unofficial norms of conduct · Verbal agreements and promises · Elite deals · Alternative payment systems at local level · Gendered roles and practices

Source: WWF's PEACI Strategic Framework

Some questions that political economy analysis can answer:

» Where does corruption operate in the landscape, jurisdiction(s), supply chains, or other programming targets? What types of corruption, and defined by whom?

» Why is the behavior of key actors not aligning with the formal standards and rules governing the activity? Are informal rules generating corruption risks? What are the informal rules?

» Who has authority over those key actors? What are the incentives driving authorities' behavior?

» What are the factors that exacerbate corruption or corruption risk? What role is geography, conflict, political instability, inequality, discrimination, crime, etc. playing?

» How are historical legacies of colonialism, conflict, economic development patterns, racial or ethnic discrimination, or political instability contributing to the distribution of power and related corruption risks?

Political ecology focuses on the interplay of society and nature; that is, how politics, economics, and culture shape environmental change and vice-versa. Political ecology is a tradition of thought that builds on political economy methods with a specific focus on the environment and especially on how power relations impact environmental change and the distribution of its costs and benefits. Political ecology perspectives can reveal how social and political inequality drive environmental crime, for example, since they often engage more deeply with marginalized and indigenous populations that claim, use, and/or manage natural resources than other analytic approaches.

Some questions that a political ecology situation analysis can answer:

» What do a place's biophysical ecology and environmental science reveal about the distribution of resources and power?

» How has land use been demarcated, by whom, and when? Did corruption affect this arrangement? Does corruption reinforce it?

» How are "power" and "corruption" defined in a specific landscape?

» Who wields power over natural resources and who resists it or asserts competing claims?

» Is there a connection between exclusion, inequality, discrimination, and environmental crime? Is corruption generating any of these phenomena, and/or are they generating corruption risk?

Corruption risk assessments (CRA) identify vulnerabilities within a bounded system (typically the meso or micro levels described earlier) that may present opportunities for corruption to occur. It is not a measurement of corruption itself, but of the potential for corrupt activity. Some CRAs build on the International Standards Organization's methodologies for anti-bribery management systems and risk management.

CRAs are well-suited for contexts with clear parameters such as organizations, agencies, or firms, but CRAs can be conducted for specific sectors or public functions, like agriculture or procurement or internal control systems, or for sub-national or community projects. The outcome of this type of situation analysis, illustrated in Figure 3, is a (1) set of identified *risks*, (2) an evaluation of *risk controls*, and (3) an assessment of potential *impact* and the *likelihood* of occurrence.

Figure 3. Excerpt of a corruption risk assessment from a TNRC country activity

Risk #4. Boat captains may contract "processors" to secure [a necessary] certificate because processors can provide "flexibility" in meeting requirements or faster service due to their relationships or agreements with officials.		
	Score	Justification and sources
Probability of occurrence	2	Survey Question 1.2.4: 44% responded that they contract a processor.
Impact	3	Interviewee 3.2.3 indicated that they pay between US$8 and US$40 for the processor's services. Part of this payment could go to the official as a bribe.
Risk (Probability x Impact)	6	Medium Low
Consequences		Bias and unfairness in certificate authorizations, swindling by the processor, reinforcement of informality in the sector.

Questions that corruption risk assessment would answer:

» Where in a process or project might someone have an incentive to make or receive an improper payment to accomplish an objective? How likely is this to happen?

» What are the opportunities (facilitating conditions) as well as incentives (driving conditions) for corruption in this official process?

» How effective are the existing risk controls in managing corruption risk? What additional corruption risks are not addressed by existing controls?

Box 2. The MCAR Approach

MCAR is a CRA methodology that specifically focuses on corruption risks in law enforcement and has been used in TNRC-supported research. It involves **M**apping and **C**haracterizing the relevant judicial processes, **A**ssessing corruption risks, and **R**ecommending mitigation measures.

Informed by "thinking and working politically" (see below), the method recommends complementing such CRAs with sector-level PEAs to add insight on how formal and informal political arrangements and power dynamics influence law enforcement functions. This helps explain *why* particular corruption risks emerge in investigations and prosecutions of IWT cases.

The combination of CRA and PEA here illustrates their complementarity. The MCAR CRA maps *what and how* corruption risks undermine IWT investigations, while the PEA aims to understand *why these corruption risks exist* and points to *opportunities and constraints for potential solutions*.

2.2 Focused approaches

In contrast to the broad approaches described above, the following more focused approaches to situation analysis usually address one component of a system in detail. They can stand alone as distinct analysis for a particular question, or they can serve as inputs to broad approaches.

Stakeholder analysis is a technique for mapping and understanding actors that are critical to the success of a project because they have an interest in it, are likely to be affected by it, or hold some influence over it (including the ability to block it or undermine its objectives). Stakeholder analysis is useful for understanding a particular reform or project, rather than a broad view of political context. It is generally focused on those actors with formal and informal power over key dynamics or factors in the system, those that benefit from either the status quo or the proposed change, and the power relationships among actors. Social network analysis is one methodology for specifically mapping those relationships, and analyzing the "rules of the game" (see "PEA" above) can further clarify stakeholders' motivations.

Questions that a stakeholder analysis can answer:

» Who are the major players related to corruption in the project context, and what is their relationship to each other? Are they receptive to change or resistant? Are their interests similar enough that collective action to address a corruption problem is a possibility? Can law enforcement be relied on as a strategy to address the problem?

» If this is a context of systemic corruption, how great is the risk that stakeholders are part of or so affected by that system that they will not be willing or able to deliver the performance we expect? If these risks are high, are there alternatives or additions to this program approach that are necessary?

Value chain analysis aims to identify corruption risks along the processes involved in bringing a resource to market. It involves examining the steps in the value chain, from source to transit and destination. In the conservation and NRM context, it is particularly helpful for identifying corruption risk points that may compromise traceability and other supply chain assurance systems for global commodities that pass along complex supply chains with multiple overlapping jurisdictions, the involvement of many different intermediaries, and connection to the international financial system.

Figure 4. Visualization of a TNRC value chain analysis of the illegal rhino horn trade
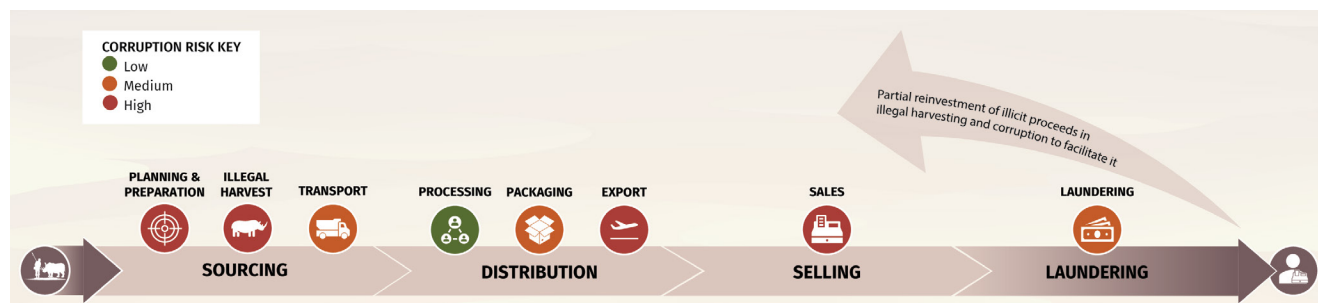
Source: TNRC Guide: Visualizing corruption risks in the illegal rhino horn trade supply chain

Questions that value chain analysis would answer:

» At what points in the value chain are the most critical risks of corruption? Who are the actors involved at those points?

» How much of the value chain is covered by traceability, transparency, control, and enforcement efforts? Do upstream vulnerabilities undermine downstream controls, or vice-versa?

» What is the involvement of transnational firms or international finance? Does this contribute to corruption risk?

3 Incorporating situation analysis into programming

Situation analysis usually serves as a starting point, or a point of reflection, that helps to orient projects to the corruption vulnerabilities that may derail implementation. There is no "perfect" approach to situation analysis, and the "best" one is the one that is manageable within available resources and time frames and that will actually be used to inform programming. When commissioning or conducting situation analyses, the critical questions should always be "so what does this mean for our project (or plan, priorities, etc.)?" If a situation analysis does not connect analysis to action by answering the question "what should we do differently in light of this information?" it has not been successful.

At the same time, once these analyses are completed, findings must be incorporated into programming, and projects need to regularly revisit questions of power and corruption risk as projects unfold.

Everyday Political Analysis (EPA) is one way to do that. EPA helps practitioners understand the changing political context and make politically-informed decisions on a day-to-day basis. EPA doesn't necessarily require formal written analysis, though that can be useful at certain intervals to test the assumptions behind the project's theory of change, for example. More frequently, project managers and others can simply ask themselves a set of questions about the key actors who can affect their work's outcomes:

Step 1: Understanding interests: What makes people tick?

» Is what they want clear?

» Are they acting in line with their core beliefs?

» Do you understand the constraints they face?

» Is it clear who and what the key influences on them are?

» Is their behavior being shaped by social norms about what is appropriate?

Step 2: Understanding change: What space and capacity do people have to effect change?

» Are they the key decision maker?

» Do they have potential coalition partners?

» Are their key decision points clear?

» Is their framing of the issue likely to be successful?

» Are they playing on more than one chessboard?

Asking these questions from time to time can be especially helpful for re-connecting with earlier situation analyses like PEAs or CRAs and testing their ongoing applicability or adding new insights about what has changed since the original analysis was completed. EPA questions, like the TWP approach (see Box 3) are ways of keeping situation analysis alive throughout the project.

> **Box 3. Thinking and Working Politically (TWP)**
>
> TWP is an overarching way of working rather than a specific situation analysis methodology. Like Everyday Political Analysis, TWP provides a compass to help navigate the political complexities of reform and change. TWP also has a community of practice that meets and publishes regularly.
>
> TWP has three core principles: 1) strong political analysis, insight and understanding; 2) nuanced appreciation of the local context; and 3) flexibility and adaptability in project design and implementation. Two approaches that embody these principles include Problem-Driven Iterative Approach and Adaptive Management.

Find all resources on situation analysis on the TNRC Knowledge Hub.