

# Governance Assessments, Domestic Accountability and Agency Reform



Seminar in Madrid, 6 July 2009

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Stefan Meyer, Bjoern Foerde and Nadia Molenaers  
Seminar in Madrid, 6 July 2009

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La Suma de Todos



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On 6 July 2009, FRIDE hosted a seminar on governance assessments, bringing together European researchers and policy makers with their Spanish counterparts. The objective was to heighten awareness of the current challenges that governance assessments pose to aid partnerships and domestic accountability. Two questions in particular were addressed: to what extent and in what way evidence produced by donors might become more relevant in terms of relations between the state and its citizens in the domestic sphere; and how a deeper analysis of political and institutional processes in partner countries could lead to changes in the daily practices of aid managers on the ground.

## Background and aim

In recent decades, aid recipient countries and donors have come to an arrangement which amounts in broad terms to good governance being provided in exchange for better aid. In other words, the aid effectiveness agenda has developed in parallel with the governance agenda. Emerging global principles on what 'good aid' should be have been reinterpreted in various ways at the country level, focusing on the development of national systems and effective aid delivery ('aid effectiveness'). Meanwhile, the governance debate increasingly acknowledges that the domestic political context and political feasibility of reform ultimately matter more for poverty reduction policies than judging institutions against universal normative standards ('good enough governance').

These two tendencies have come together in the instruments of governance assessment. Donors have produced a wide variety of information on the quality of institutions and democratic practices in recipient countries. Located at the core of the 'aid deal', governance assessment entails two competing objectives.

- From an aid effectiveness perspective, greater harmonisation between donors and enhanced

ownership by recipient countries should also apply to information gathering and evidence production. The idea here is to put partner governments firmly in the driving seat and minimise costs.

- From a governance perspective, academics and aid practitioners alike are keen to stress the importance of a firm theoretical grounding and robust methodology for the instruments which are used, so that they are better equipped to read underlying power structures and can more effectively recognise and foster progressive change.

There is possibly a trade-off between the objectives of aligning to government systems and critically assessing institutional performance. This comes to the forefront when governments' willingness to lead meets donors' efforts to look beneath formal structures of power and politics.

Additionally, growing concerns as to just how and to what extent donors affect the accountability of aid-dependent states vis-à-vis their own citizens in the domestic sphere raise the question of how governance assessments might become nationally owned and hence more meaningful within the domestic public sphere.

The focus on context-specific governance assessments, which are both aligned and rigorous, poses a huge challenge for day-to-day practice in aid agencies. Not only do new instruments that take a political economy-focused methodology and engage with the domestic debate have to be designed; even more challenging is the question of how to ensure the uptake of their findings in working practices and make the necessary institutional changes (recruitment, incentives, postings and devolution of decision making) to ensure this.

This document summarises some of the main points of the debate. It then brings together two of the contributions to the seminar: one by Bjoern Foerde on the dimension of domestic accountability; and the other by Nadia Molenaers on changing aid practices.

## Outline of the debate

The seminar offered a wide range of experiences of specific instruments. With the Dutch Strategic Governance and Corruption Assessment (SCAGA) and the European Incentive Tranche (ECGIT), two donor practices were presented.

The SCAGA represents one of the most sophisticated approaches to informing donor field offices and headquarters about underlying political developments and political opportunities. Limited solely to this purpose, it has no outlet towards channelling findings into the political dialogue or to strengthening civil society groups to hold government to account.

The ECGIT, on the other hand, is based on assessing the main dimensions of democratic governance taking part in a process led by EC delegations, which has recourse mostly to available indicators. It will become more deeply anchored in context-specific political analysis when the monitoring process unfolds, to be developed in the coming months. The ECGIT is an example of where assessment, expression of intent to reform and aid allocation are all directly linked. The main objective, however, is to establish a common ground for political dialogue between the European Union and the partner country. Although foreseen in the principles that underlie the Cotonou Partnership agreement, little effort had been made either by the Commission or by partner countries' governments to include civil society in the process of assessing and defining reform steps.

The debate on these two concrete instruments was enriched in the discussions by the participants who shared experiences namely from the practice of UNDP and Spanish cooperation.

In the debate on domestic accountability and agency reform, a number of critical issues were raised repeatedly.

- Donors still avoid redefining conditionality. Some of the indicator-based assessments still measure domestic political processes against universally defined standards often derived from practices in OECD countries. This leads to fruitless intrusiveness and stop-and-go aid disbursements. Often conditionalities are waived despite non-compliance, but donors and governments are trapped in an incoherent pact where some have to disburse money while others cannot or are not willing to pursue reforms imposed on them.
- There is a clear need to define the aim of each assessment. If the idea is to foster the skills and knowledge of donor staff and inform donor decisions on aid modalities, it might as well be an internal process. If, however, evidence is meant to feed into the political dialogue or become part of national processes of holding governance to account and provide factual support for civil society to demand reform, governance assessments should be undertaken within a harmonised national framework of reference and include domestic actors as much as possible.
- The organisational culture of agencies is changing from one in which they are conceived of as experts who provide technocratic solutions, to a more political self-perception as co-actors and facilitators who support processes. This change is ongoing and is more or less advanced in different departments of agencies and within the specific approaches agencies take.
- Academics have to specify the supply-side of political analysis. They are called on to clearly specify 'the product' and in what way they can contribute to problem-oriented assessments that are of use to in-country staff. It is, however, important to lower expectations and be aware of the difficulty which political science-based analyses face in bridging the gap between analysis and intervention.
- Strengthening the creation of local knowledge in assessing government performance is paramount and a potential way out of the dilemmas between the call for harmonisation and plurality. In particular, donors have responsibilities to foster domestic research institutes. Not only is it the task of donors to reduce

the harm they do with their recruitment practices and the bias towards the consultancy services of academia at home, but targeted programmes have to strengthen the capacity of researchers and their institutes as well as increasing the competence of media to engage in evidence-based debates. In general, if state building is to become an inclusive process, the domestic public sphere with their institutions of interest formulation and aggregation should be given more attention by donors. This includes strengthening domestic – governmental – capacities for the production of reliable statistical data, the means by which civil society can gain some traction of its scrutiny over government performance, making policy clearly measurable.

- Rather than focusing merely on formal oversight and accountability mechanisms, it was acknowledged that it is important to strengthen accountability systems and coalitions of interest around issues. This would include not only standard donor interlocutors, such as NGOs, but also more uncomfortable partners for donors such as parliaments, political parties, local authorities and others.
- All in all, this seminar presented some of the most elaborate instruments and it was agreed that more debate is needed, particularly on how to include civil society in all its ramifications in the debate on setting locally valid standards for what would be considered as decent, effective and legitimate governance.

# The importance of ex post consensual conditionalities

Nadia Molenaers, PhD, IOB  
University of Antwerp

There are important assumptions/perspectives which have to be taken on board when analysing and thinking about aid, governance and development. In an aid partnership situation, the domestic politics of both donor and recipient countries matter.

Firstly, donor domestic politics might even be more determinant than aid effectiveness concerns:

- *Aid money is tax revenue*: accountability issues arise as citizens expect something in return for paying their taxes, or may have a say on expected results. Citizens want to know how their income tax revenues are spent.
- *Aid agencies are politically led*: politicians tend to favour visible results, demonstrating concrete achievements, and shorter time frames of work (usually from one election to the next) over the conditions which prevail in development assistance today (long-term institutional assistance and reform, with often invisible results or results which are difficult to measure). Politicians also want to be responsive to different interests in society, thus embracing a whole host of motives for granting aid (commercial, geopolitical, diplomatic, cultural, developmental and others).

Both these tendencies outlined above lead to tensions in three areas: (1) Tensions between politicians and technocrats, as technocrats work with incentives which are different to those which motivate politicians. (2) Tensions between headquarters (home constituency accountability pressure) and field quarters (donor peer pressure). (3) Tensions between the motivation for aid; this is often found in the clash between the agenda of

the Foreign Ministry and the agenda of development cooperation, and comes to light in the split between (or even the contradictions/tensions between) political dialogues (ambassadors) and policy dialogues (development staff).

Secondly, recipient home politics matter:

- *Donors are merely one 'interest' group* (and most probably not the most important one) on the agenda of government. A wide range of interests influence the short- and long-term behaviour of recipient governments. Getting into power and staying there is a top priority.
- *Development is about the production, allocation and distribution of resources*. Scarcity and subsequent conflicts arise over who gets what. *Development is also a problem of collective action*: although growth and poverty reduction are most probably in the interests of everybody in the long run, their attainment requires 'sacrifices' in the short term with political costs attached. If governments are slow to advance certain developmental goals, this most probably responds to a deeper political logic which will not be easily turned around (especially by external actors). Ownership over reforms and change are therefore not to be assumed.

Thirdly, development cooperation lies at the donor-recipient interface: aid is a principal agent problem. Donors and recipient government preferences are very often not fully aligned. The whole aid chain is a collective action problem. Commitment should not be assumed, and so guarantees need to be built in and aid expressed as a contract, with carrots and sticks.

## Building in guarantees: conditionalities

Generally speaking, two broad categories of conditionalities exist: ex ante conditionalities and ex post conditionalities.

Ex ante conditionalities display the following features: (1) aid is given in exchange for promises (money before

actual performance); (2) the focus is mostly on the input side; (3) certain policies are imposed unilaterally; (4) donors think of themselves as the drivers of change or reform (they set the priorities and the reforms); (5) Structural Adjustment Programmes were characterised by these conditionalities (policy based lending). But these conditionalities have failed to work. The lack of ownership leads to flawed implementation.

On the contrary, *ex post* conditionalities ideally respond to the following characteristics: (1) aid is given based on past performance (money after performance); (2) focus is on output/outcome hence results; (3) policy-liberty: governments can choose policies, donors do not interfere; (4) donors are aware that the drive for change must come from within. This is a new aid approach. The Paris Declaration Principles are compatible with *ex post* and results-oriented conditionality: government and donors agree on results, governments can choose how to realise those results, and indicators for monitoring progress are jointly established. Subsequently, aid goes up or down depending on performance.

## Donors' different strategies for dealing with governance

The aid effectiveness debate has highlighted the following insights.

What not to do:

*Bypassing government* (often under the form of independent project implementation units) has proved ineffective because it undermines the state and projects tend to be unsustainable. *Imposing adversarial conditionalities* creates no ownership, and they are therefore frequently not implemented.

What to do:

*Use selectivity criteria* for choosing partner countries, for allocating volumes, and for choosing modalities. Transparency and predictability should be important principles in the allocation of resources. Whereas

during the first era of the new aid approach, there was a strong preference for disbursing as much money as possible under General Budget Support modalities, today donors tend to prefer a 'portfolio-approach', using a wide range of modalities ranging from GBS, SBS and SWAPS to new style projects depending on the context. Not only is this a risk diversification strategy, but it is also perceived that different aid modalities, which are nested (horizontally and vertically linked in a comprehensive and aligned intervention strategy), provide the donor with ever more diversified information on actual performance and 'on the ground challenges'.

*Policy dialogue with the government should be as harmonised as possible.* Policy dialogue is the arena where the Paris Declaration principles can come alive: giving room to ownership, striving towards alignment, agreeing on results to be achieved, establishing mechanisms of mutual accountability, etc. Ideally, the policy dialogue leads to the *identification and establishment of consensual ex post conditionalities*. These conditionalities are thus established throughout a negotiation process over which, ideally, both partners have ownership.

## Issues discussed during Question and Answer session

The governance concept:

There is no consensus over the governance concept, as it contains multiple dimensions. In theory it is possible to distinguish more technocratic dimensions (management of resources and absorption capacities of the government/state, capacity linked to management and policy making, public finance management, macro-economic frameworks, public service quality and ability to deliver) and political dimensions (human rights, democracy, elections). From an analytical point of view, however, very few development dimensions are purely technocratic. The technocratic is mostly political. The multi-dimensionality of the concept opens the door to all kinds of discussions on questions such as: Which

dimensions or features are more important? What is the link between different elements or dimensions? To what extent is one dimension causally related to the other? Some donors are more sensitive and give more weight and importance to political dimensions of governance, while others focus more on the technocratic dimensions. This limits the harmonisation agenda.

#### Governance and development:

Some countries score high on technocratic governance and low on political governance (Vietnam, China), and vice versa – some countries score better on political dimensions of governance than on technocratic dimensions (Mali, Senegal, Zambia, Tanzania). The dominant idea in donor circles, that political good governance (democracy) precedes development, is mainly a donor-driven idea and largely invented. From an empirical point of view, there is no link between the political regime in place and development. Authoritarian regimes can produce the best but also the worst developmental results (Mobutu, Idi Amin, Somoza). More democratic regimes are in no sense the best performers, but nor are they the worst. Case studies reveal that strong, resilient states are the most important condition for development.

#### Aid and development:

There are no cases where aid made the difference. Most development processes are internally driven – donors can at best facilitate certain processes. Why is harmonisation so difficult? A whole number of reasons explain this, including (1) donors tend to be democracies, hence foreign affairs and aid may respond to pressures at home: each country has its own (sometimes unpredictable) set of dynamics; (2) different donor governments have different ideologies along the right-left spectrum: this influences their view of recipient governments; (3) some donors (due to ideology or to pressures at home) give a lot of weight to political aspects of governance, while others look more at the technocratic aspects: countries that score differently in both dimensions are thus very differently viewed by different donors; (4) some donors cannot harmonise easily due to a centralised set-up of the agency and procedures (for example, joint reviews might not be accepted by the Inspector of Finances of a given donor country); (5) not all donors are GBS donors: some donors that are active in sectors might have different opinions than donors active at the higher level; (6) nonetheless, full-scale harmonisation might not be so advisable if it leads to agreeing and acting on the lowest common denominator, or if it leads to a strong donor-block intimidating a weak government.

# Domestic accountability and agency reform: The case of country-led assessments

Presentation by Bjoern Foerde,  
director of the Oslo Governance Centre

## Summary

*Country-led assessments serve the dual purpose of engaging with the domestic public sphere and informing donor assessments with better country-level data.*

This presentation argued that a country-led self assessment is a good approach for producing the evidence required to engage with the domestic public sphere, and also for informing donor assessments with better nationally produced data.

Mere 'engagement with the public sphere' is too meek an objective; assessment should seek to strengthen government *accountability* vis-à-vis its citizens in a very pragmatic way. Country-led assessments, if done in the right way, might actually serve as an accountability tool.

Country-led assessments might also increase the pool of governance data generated at the national level. This data may be useful for informing donor assessments and enable these to become more robust.

## What makes country-led assessments better suited for engaging with the domestic public sphere?

*The position of national stakeholders in the assessment process will often determine the potential for engagement with the domestic public sphere.*

A typology of governance assessment approaches can be sketched out based on the position of national stakeholders in the assessment process. Three principal assessment types exist: external assessments, peer assessments and country-led assessments. (1) **External assessment:** external assessment is the most common kind of assessment and refers to the large number of assessments carried out by development partners and independent research institutes. (2) **Peer assessment:** peer review is based on a cooperative approach and is an assessment of a state by other states (peers). It includes a self-assessment before the peer review takes place (OECD-DAC on aid, and APRM in Africa). (3) **Country-led governance assessment** differs from an external assessment in that it is initiated, implemented and sustained by national actors. National stakeholders lead the assessment process and believe in both its legitimacy and its relevance. No single actor can be said to represent 'the country', which means that country-led assessment must include the active participation of state and non-state actors alike, including non-government organisations (NGOs). This kind of assessment should enjoy the support of a wide and 'representative' pool of national actors.

The processes involved in country-led assessments of democratic governance are as important as the outcome itself. If governance assessment results are not locally owned and embedded in ongoing national development processes, they will most probably be shelved rather than be fed into policy-making processes. A central feature of country-led processes for assessing and monitoring democratic governance is therefore that

local and national stakeholders actively participate in key steps of the assessment process, including what is to be assessed, how it is to be assessed, and in what way the assessment is to be used. Local engagement at all

stages of assessment is critical for linking the assessment results and the corrective actions required, and for safeguarding the transparency and policy relevance of the assessment process.

## The case of Mongolia

*Country-led assessments enjoy a stronger sense of national ownership. Ownership is more likely to create the political will to turn assessment into policy action.* In September 2003, Mongolia hosted the Fifth International Conference of New or Restored Democracies (ICNRD-5), which brought together over 500 participants from 119 states to discuss democracy, good governance and civil society. The conference adopted the *Ulaanbaatar Declaration and Plan of Action* that committed participating governments to implementing action plans aimed at boosting democracy.

The stagnation of the democratic process in Mongolia in the early 2000s, witnessed in such phenomena as widespread disenchantment with government policies, deeply entrenched corruption, parliamentary deadlock, and the direct involvement of business groups in both political parties and government, spelt out the need for a fundamental reappraisal of the main strengths and weaknesses of Mongolian democracy. A reappraisal should in turn lead to an action plan to remedy the democratic malaise.

Mongolia embarked on a country-led governance assessment in 2003, using International IDEA's democracy assessment framework as the basis for its assessment methodology and adapting it to a national context with guidance from UNDP. The assessment led to a national consensus on democratic governance indicators that have laid the groundwork for tracking Mongolia's MDG9 on democratic governance.

For national ownership to be *effective* it needs to be *inclusive*: the question of who institutions deliver to is decided by an on-going process of negotiation between different interest groups within societies to a great extent; how these negotiations are conducted also affects outcomes. This holds true for democracies as well as other political systems. The matter of who institutions answer to can be weighted by inclusive participation so that vulnerable groups gain more leverage. The aim behind inclusive participation is to allow the voices of vulnerable groups to be heard and their interests articulated. Broad stakeholder participation is therefore a means of levelling out the playing field, amongst other things. However, one-off consultation processes should not be confused with the longer-term benefits of more inclusive participation strategies, which more broadly involve fostering an active civil society and political parties engaging in and continuously contributing to a society's ability to reflect on and correct policy.

In Mongolia, the political dynamics of the project were dependent on the interaction between the project staff, national researchers, the Ministry of Foreign Affairs, and local stakeholder involvement. The assessment also used participatory research techniques to include the voices of nomads (in the form of testimony via satellite-links), the poor and women.

*Country-led assessments develop national capacity for production and use of indicators in the domestic public sphere.* Mongolian researchers (The Institute of Philosophy, Sociology and Law, the Academy of Sciences of Mongolia) have fully absorbed the conceptual and practical methodology of developing the democratic governance index and international experiences in the area of governance indicators. The national capacity for such assessment has been significantly increased. Significant capacity-building has been demonstrated by NGOs that have participated in the democratic governance index process as stakeholders in terms of their research capacity and coalition-building. The same can be said of government agencies which have taken part in the process as stakeholders. The political community and other stakeholders – the media in particular – were also educated on the concept and application of the democratic governance index.

*Country-led assessments are better aligned to national policy making and are therefore more relevant to the domestic public sphere.* The Mongolian political community has been informed progressively of the methodology for measuring progress in terms of democracy. The government of Mongolia and national democracy stakeholders, including the media, have been using the DGIs as the most comprehensive reference when reporting on the state of democracy and in identifying political intervention. Mongolian efforts have established a link between national assessment of democracy and democratic intervention aimed at consolidating democracy by linking up assessment with a plan of action.

In April 2005, the Parliament of Mongolia adopted a Resolution on MDGs with an additional MDG9 'Fostering Democratic Governance and Strengthening Human Rights'. Mongolia's MDG-9 has particularly benefited from the development of DGIs and will in turn help institutionalise the application of DGIs in a government reporting mechanism. National researchers' work on DGIs resulted in passing a resolution by the parliament on the monitoring system for MDGs in Mongolia, which included indicators on MDG9 and assigned government agencies responsible for reporting.

*Country-led assessments are more sustainable, and are therefore more likely to have a more lasting impact and enduring engagement with the domestic public sphere.* The institutionalisation of governance indicators to be used as part of parliament's oversight function on the progress on MDG9 is an example of the potential sustainability of country-led governance assessments. Currently, under the Global Programme on Democratic Governance Assessments, UNDP supports the aims to further build the capacities of government agencies formally assigned as reporting bodies on the MDG9 implementation and of civil society with regard to collection, maintenance and analysis of governance-related data. At the same time, it aims to assist the development of an inclusive, consultative framework for the systematic assessment and monitoring of governance goals and targets expressed in the MDG-based National Development Strategy and the Government Action Plan 2008-2012.

To increase national ownership, the scope of governance assessments will be expanded to sectoral and local levels. As such, industry-specific and decentralised governance assessment tools will be developed and piloted in selected industries and local governments, for further replication in other sectors and areas. The project attempts to maximise synergies amongst ongoing initiatives taken by UNDP and other donors in the area of democratic governance assessment.

## Rethinking donor assessments: Whose governance data needs should be met?

*If national data needs take priority over donor needs, national accountability is more likely to be strengthened.*

External and domestic accountability mechanisms are not necessarily at odds, and the alignment of domestic and external accountability is desirable to the extent that it prevents the proliferation of tools, reducing the possibility of conflicting strategies or actions and the inefficient use of scarce resources.

However, external and domestic accountability mechanisms may be easier to align if domestic accountability takes priority. Evidence is more likely to play a role in national politics if there is country-contextualisation, ownership, national capacity development and alignment of indicators to national policy processes.

*Start at the beginning: What are the actual data needs of national stakeholders and institutions charged with oversight responsibilities?*

Different national stakeholders have different data needs, and some of these may even be conflicting on occasion.

If we are concerned with supporting a country's capability for self-assessment, to correct policies and programmes based on evidence, and to strengthen performance on governance, then the starting point must be a consideration of the institutions, actors, organisations and individuals charged with the task of overseeing and strengthening vertical, horizontal and social accountability. This includes the powers and know-how of parliament, political parties, the ombudsman, the general auditor, the media, civil society watchdogs and think tanks to work with the evidence in providing oversight and offering advocacy.

Starting out with the data needs of existing mechanisms of accountability in mind may improve the

sustainability of the assessment process, ownership, and better use of the indicators. It also provides a good deal more clarity in terms of the skills and know-how of the institutions charged with oversight to demand answers, enforce decisions and monitor follow-up.

*Starting out with the data needs of national stakeholders does not run contrary to the data needs of donors, or to the objective of harmonising donor assessments.*

In terms of harmonising data while allowing for a plurality of analyses, participants at the 2007 Bergen seminar observed that two dimensions drive proliferation of external governance assessments: 1) differing conceptual understanding of the term 'governance', and 2) different purposes for 'assessing' governance.

The term governance is highly contested. The many conceptualisations of governance mirror the many different agendas among bilateral donors and multilateral institutions. For example, the World Bank focuses more on economic governance, while UNDP focuses more on political governance. Assessments serve many different purposes, and so there will always be a proliferation of governance assessments. In addition to donors, international non-governmental organisations, firms and academic institutions also carry out assessment for comparative ranking, but also to develop tools for advocacy.

Harmonisation may take place most effectively by separating data gathering from analysis and interpretation. The pool of data might be collected through a country self-assessment, which would both strengthen ownership and dialogue with donors. Self-assessments may therefore be a vehicle for ownership, harmonisation and alignment also in the context of externally-driven assessment.

In addition, alignment to country policies may work more effectively when focusing on key aspects at the sector level, instead of the central level, with the purpose of strengthening programs. Policy relevance is a dimension that also drives alignment, harmonisation and ownership.

## Rethinking donor assessments: Whose capacity to use data should be strengthened?

### *Strengthening the demand, rather than the supply of indicators.*

Boosting the procurement of reliable statistics is critical for securing a good evidence base for policy to move forward, and much work remains to be done in strengthening the expertise and financial basis of national statistical offices.

However, in the midst of a big push towards boosting the supply of evidence (Paris 21, World Bank's statistical capacity building etc), we should not forget the demand side of evidence. Churning out evidence comes with no guarantee that it will be used, and it is not enough on its own.

A big stumbling block at the national level has been a paucity of communication between data producers and potential end-users as to the latter's data needs. Much better dialogue and active engagement between producers and end-users of evidence at the national level is thus required. This includes bringing in interest groups that currently do not use the data pool, but would strategically benefit from it when voicing concerns, including groups representing the poor and women.

Strengthening the demand side also requires finding and broadening political spaces where evidence can be used to hold the government to account. These spaces include participatory budgeting, legislative processes in parliament, the work of the ombudsmen, human rights commissions, participatory monitoring, advocacy, etc. It requires encouraging a multitude of data producers, such as think tanks, political parties, parliamentary committees and NGOs to produce unofficial reports, data for advocacy, data for monitoring and data for holding government to account. Strengthening demand may therefore also include strengthening the type of data production in which end-users are also the producers of data.

An approach which takes the realities of political economy into account must be adopted, one that acknowledges that evidence gathering in itself is controversial and sensitive, and its effective use even more so. The ideal situation is not one in which political debate is limited, but rather consists of creating good conditions for political debate and peaceful and constructive oppositional politics. Different interest groups will offer different interpretations and policy solutions based on the same governance data. This is perfectly legitimate. What is important is that representatives of disadvantaged groups are able to make use of data and engage. Strengthening the demand and use of evidence may empower weaker interest groups, but often only if conscious efforts are made in this regard to that end.

A consensus approach may serve to strengthen the legitimacy of the assessment, avoid elite capture, bolster the voices of the poor and women, as well as further the incorporation of evidence into policy making. A UNDP country-led assessment often seeks to broaden ownership through steering committees, consultations, participatory methods or other such means.

### *Civil society is important, but strengthening national accountability requires engaging much more vigorously with parliaments and political parties.*

Donors often call for stakeholder consultations in performance reviews of aid at various levels. Often this primarily means civil society organisations.

However, relying too heavily on civil society organisations may prove to be an inefficient strategy for engaging with the domestic sphere on governance evidence. Such a strategy does not fix the problem of strengthening the formal institutions of democracy that are charged with oversight, such as parliament, political parties, M&E units within ministries, the general auditor, the ombudsman and so on. In the worst case, it may even serve to undermine them. This includes cases where there is a tendency to prop up donor driven civil society organisations for various consultation processes on the performance on aid

and/or national plans, which in turn may reduce the legitimacy of state institutions.

While civil society is important, its function as a watchdog and advocate is strengthened if the formal institutions of parliament, as well as political parties, work well. The ability of civil society to compensate for weaknesses within parliament and political parties should not be overstated.

Involving MPs and political parties may not be much more difficult than involving civil society, and it may be easier than current practices seem to indicate. But it needs to be systematised. In sectoral performance reviews of the justice sector, for example, the right stakeholders may also include a parliament committee on justice, parties in opposition, and the ombudsman on corruption, in addition to civil society organisations.

Another concern among donors tends to be that civil society is primarily concerned with service delivery, and is less capable of performing the role of watchdogs. Strengthening civil society's capacity to perform the role as advocate and watchdog is important. Again, the same eagerness to develop the capacity of civil society to carry out an advocacy and watchdog role should also be applied to the formal checks and balances of the state.

### *Parliaments need to be strengthened*

In countries where parliaments are weak, their strengthening may be a critical factor in engaging with the domestic sphere. This is not merely a question of training parliamentarians in technical expertise on governance indicators, but also about strengthening parliament's role vis-à-vis the executive, at both the formal and informal level.

For example, in terms of national development plans, parliament may see its role as verifying whether financial resources were properly used for a given end (efficient use of funds), and to a lesser extent, whether that given end leads to a desired overall outcome (effective use of funds). Engaging with parliamentarians with regard to the evidence that

would be useful for scrutinising desired outcomes more thoroughly may ultimately help strengthen parliament and help MPs take a more active role vis-à-vis the executive.

### *A minimalist approach: moving towards increased dialogue*

If an growth in country-led approaches is not supported, increased and enhanced, dialogue may improve scrutiny of the public sphere by donor assessments.

Donor assessment has a different aim to self-assessment. Participants at the 2007 Bergen seminar underlined that donors have always assessed countries, and that this is legitimate. The new and relatively recent historical perspective is that aid has an influence on governance, and it is within this debate that ownership of assessment is discussed to ensure that countries are in the driving seat of their own governance strategies. At the Bergen seminar, it was concluded that it is not necessarily useful to talk about 'ownership' in the traditional sense with regards to externally-driven assessments.

Viewed on a sliding scale rather than conceived of as a dichotomy, the objective should be to move away from the 'rejection' end of the scale to the 'ownership' end, which consists of better dialogue for governance strategies. It was suggested that moving towards more buy-in by countries in externally-driven assessments would secure a better dialogue on governance. Governments 'own' the process of responding, and can do so through, for instance, shadow reports.

In order for countries to engage effectively in dialogue, it was underlined that external assessments must:

- adhere to methodological transparency;
- rely on data in the public domain and data produced in-country when available;
- use local consultants and research institutions to the extent possible;
- use in-country expertise instead of international consultants;

- make results public;
- reduce the burden on government officials;
- make consultations a principle;
- align to country planning processes if applicable;
- be clear about aims.

The scope for dialogue on externally-driven governance assessments and their quality is affected by the aims of those assessments. It was reported that dialogue is more constructive when assessments are used for

programme design than when used for aid conditionality. These are issues and trade-offs that donors may choose to consider when determining assessment ends.

It was also suggested that instead of talking about governance 'assessment', the term governance 'analysis' or a similar neutral term should be used, so as to break down the hierarchy between the 'assessor' and the 'assessed'.

## The case of the joint governance assessment in Rwanda

*The JGA is an important test-case for understanding opportunities and challenges for strengthening the use of evidence among national stakeholders as a spin-off from carrying out donor assessments.*

*'A joint governance assessment aims to bring government and development partners together to undertake a joint assessment of governance performance based on commonly agreed indicators. The first assessment of this kind was undertaken in Rwanda during 2008.'* Gareth Williams et al. 2009: Carrying out a Joint Governance Assessment: Lessons from Rwanda, Brighton (policy practice)

UNDP co-chaired the JGA and provided technical support to the JGA report itself, and then the consultancy aimed at providing some guidance on the IGAP M&E framework. The JGA may have been a very successful activity in serving its primary purpose: to harmonise donor assessments and reach an agreement on governance priorities between donors and government. This particular presentation, dealing with how donor assessments of governance may have a knock-on effect in terms of strengthening accountability between government and citizens, is where the JGA as an instrument may be less successful. However, this does not mean that it is not a useful exercise. It is still early days and it may be too soon to pronounce judgment on this.

*Low awareness and lack of involvement among national stakeholders beyond the executive office and ministry of local governance reduces the usefulness of the JGA for strengthening the accountability of the government to the citizens of Rwanda.* In Rwanda, a mission from OGC discussed the indicators and evidence-based policy making with a variety of stakeholders in June, finding that several members of parliament and civil society organisations were unaware of the JGA. In discussing the usefulness of the JGA with civil society, the spokesperson from the civil society platform said that the JGA was not of much use, but that it was interesting to see how other countries viewed Rwanda. The MP (and head of the women's national council) argued that the JGA was an issue for the executive, not parliament. The ombudsman argued that the JGA was primarily useful for donor relations. Similar views were expressed by other stakeholders. In explaining the low awareness and lack of involvement, stakeholders argued that:

- The JGA in Rwanda was primarily driven by the executive, and the Minister of Local Governance charged with the decentralisation and good governance agenda.
- While international consultants had consulted stakeholders, the Ministry of Local Governance had not conducted wide stakeholder consultations.

- Civil society in Rwanda is very weak.
- Donors and donor policies were viewed primarily as a matter dealt with by the executive.

*Better communication and dissemination of JGA will possibly help, but is not enough: institutionalisation is the key.* There are plans to popularise the JGA with the help of mobile governance schools in Rwanda, to be organised by the Governance Advisory Council, a governance think tank charged with monitoring the JGA. Communication and dissemination is important in terms of raising awareness and discussing governance issues, and forms part of a long-term strategy for changing mindsets, strengthening the culture of democratic governance and possibly social accountability too (the ability of civil society to hold governments to account).

However, there are limits on the effectiveness of communication and dissemination as a means to strengthening accountability. Monitoring needs to be institutionalised. Effective monitoring requires:

1. independence of the monitoring unit,
2. answerability,
3. enforceability,
4. follow-up, and
5. monitoring of the follow-up.

The institutionalisation of the monitoring system in Rwanda is still rather unclear, partly because of the lack of adequate human and financial resources, and partly because of institutional arrangements. Currently the Governance Advisory Council reports to the Ministry of Local Governance. Changes to this set-up are planned.

*The rationale for a JGA limits its potential for strengthening national accountability mechanisms.*

The rationale for a JGA was based on the need for a common framework to discuss progress on governance between multiple donors and the government, not on the need to strengthen accountability of the government to its citizens.

If the JGA is understood primarily as an instrument for raising funds, this has implications for the strategy of making it a real accountability mechanism where citizens can hold government to account based on progress on governance indicators.

In Rwanda, consultations with stakeholders found that:

- The JGA was viewed positively as an instrument that 'sets out the responsibilities of all', including donors, and therefore provides some security with regards to future flows of aid. This perception may be slightly overstated since only the MCC ties its funding to performance on governance, and even so not to the JGA (however, a threshold agreement was signed on 15 October 2008, one month after the release of the JGA). Budget support donors base their decision on the CPAF (Common Performance Assessment Framework) which includes PFM and governance indicators - this applies specifically to donors which provide a portion of their assistance in the form of a variable tranche (UK/DFID and the EC for instance). The PEFA was last conducted in 2007 and the GoR is envisaging a second round soon (2010).

- The JGA was also viewed by some as primarily a mobilising effort of the government to increase goodwill among donors. Some argued that the strategy of the government was primarily to use the JGA for maintaining a momentum among donors of Rwanda as a 'donor darling'.

This perspective on the JGA would also explain the lack of follow-up on the APRM process in Rwanda; one person explained that the APRM failed because the process did not lead to any financial support from donors. This is an important point - it was neither the quality of the assessment, nor the selection of the indicators that was problematic with the APRM, simply that it was not a suitable framework for discussing governance with donors.

Whilst it is unfair to argue that efforts to increase national accountability under the JGA do not constitute a genuine effort by government, certainly donors need to be aware that these forms of assessments are still primarily driven by the way donors do business. The potential for strengthening national accountability under the JGA umbrella, then, is also dependent to a large degree on donor-driven efforts. If donors are serious about strengthening national accountability as an outcome of a JGA process, they need to strategically plan how this to be done from the outset.

*National accountability cannot simply be an afterthought.*

The JGA started with the needs of the executive and the needs of donors for an agreement on governance priorities and frameworks for discussing performance on governance. The use of JGA for strengthening national oversight and monitoring came second.

This has certain implications:

- Institutionalisation of the assessment within national politics relied on the creation of a new institution, the Governance Advisory Council. The suitability of this is still being discussed. Setting up new institutions is a risky business, as it may take years before one can assess how effective they are going to be, which interests they will serve, and how they interact with other institutions.
- Indicators are not closely aligned with national policies and programmes. This means that the indicators do not directly lend themselves to monitoring of national policies and are therefore less relevant for national stakeholders. However, this has been addressed by a second document, the IGAP (Integrated governance action plan) that aims to include indicators on all government commitments on governance, internationally and nationally.
- There is little or no ownership of the JGA among stakeholders that are charged with oversight of the government, including parliament and the committees on politics and good governance, civil society, the ombudsman, the judiciary or the auditor general.

# Annex 1

## Programme

### 09.00 – 10.00 Introduction

#### Typology of governance assessments and main challenges

This introductory session lays out the range of assessment tools, their methodologies and utilisation context. It aims to raise awareness about the political implications of the choice of instruments for the partnership dimension and its impact on citizen-state relations in aid recipient countries.

Stefan Meyer, Fundación para las Relaciones Internacionales y el Diálogo Exterior (FRIDE)

### 10.00 – 11.30 Session 1

#### The need to analyse power and politics and lessons learnt in making agencies context-sensitive

This session aims to present lessons learnt from the application of concrete instruments, namely the Dutch Strategic Governance and Corruption Assessment.

Marcel van den Boogaard, Dutch Ministry of Foreign Affairs (MINBUZA)

### 11.30 – 12.00 Coffee break

### 12.00 – 14.00 Session 2

#### The European governance incentive tranche – Harmonising Europeans? Supporting reform?

Three years ago, the European Commission (EC) launched a mechanism whereby an assessment – the EC governance profile – is fed into political dialogue and triggers an incentive. In the wake of its current revision, this session examines if this tool could serve as a harmonising anchor for European donors and how political economy analyses could be integrated.

Alfonso Pascual, DG Development, European Commission

Nadia Molenaers, Institute of Development Policy and Management, University of Antwerp

### 14.00 – 15.00 Lunch

### 15.00 – 16.15 Session 3

#### Ensuring uptake of political analysis within agencies

Developing long-term perspectives on political change is less compatible with incentives to disbursement pressure and project lifecycles in agencies. Sophisticated political analysis does often not sit easily with an operational results focus. This session will inquire how instruments can be devised in order to be significant for aid practitioners. At the same time, it asks in what way agency reform – human resources, organisation and culture – might contribute to giving aid a more transformative character towards supporting progressive change.

Gareth Williams, Policy Practice, UK

### 16.45 – 18.00 Session 4

#### Producing evidence for engaging with the domestic public sphere

State-building is founded on political processes to negotiate state-society relations and power relationships among elites and social groups. Hence, the framing of evidence, which is used to gain legitimacy or marshal critique, is an important element. How could the knowledge produced by donors make more sense for domestic debate?

Bjørn Førde, Oslo Governance Centre, United Nations Development Programme (UNDP)

## Annex 2

# List of participants

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# FRIDE

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Within a number of multilateral coordination bodies, namely OECD-DAC and UNDP, significant efforts have been made to map out the analytical work undertaken by donors to assess recipient countries' institutional quality and democratic practice. This seminar presented two instruments – the Dutch Strategic Governance and Corruption Assessment and the European Governance Incentive Tranche and Profile. It then hosted a debate discussing two challenges. Firstly, aid agencies face significant problems regarding how to link their action to the outcomes of these assessments and adjust their day to day practices to rather sophisticated findings from political economy analyses. Secondly, it remains to be defined how the data produced could be made meaningful in strengthening domestic accountability relations between citizens and state.

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