



PRELIMINARY SURVEY ON DONOR USE OF GOVERNANCE ASSESSMENTS

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The analysis and policy recommendations of this Report do not necessarily reflect the views of the United Nations Development Programme, its Executive Board or Member States. The Report is an independent publication commissioned by UNDP.

EXECUTIVE SUMMARY

1. This preliminary survey is a desk study that compiles publicly available governance assessment documentation from international donor agencies and OECD member countries. There are therefore necessarily gaps in information across conceptual, methodological, and operational dimensions.
2. The documentation reveals that there is not yet a harmonised definition of governance in use across donors as envisaged in the 2005 Paris Declaration. Definitions variously comprise *neutral* understandings of governance, and *value-oriented* understandings, including good governance and democratic governance.
3. The definitions of governance comprise economic and political dimensions, but there is a tendency to elide these dimensions in defining and operationalising the concept for governance assessments.
4. There are five main types of indicators of governance: (1) proxy measures and indices of political and legal institutions in terms of liberties and freedom from state constraint, (2) political violence indicators as proxy measures for political instability, or 'bad' governance, (3) expert opinion on the business and economic environment of countries, (4) objective measures using country level financial data (5) hybrid measures that combine two or more of these types of indicators.
5. Governance assessments are done (a) at the country and general level for comparative purposes, (a) at the country level and time for monitoring progress over time, (c) at a disaggregated level for sector wide, programme, and project approaches.
6. Many donors are using different sets of indicators in their separate and combined forms, which in some cases (e.g. DFID) are combined with qualitative analysis.
7. There are no standardised practices for the use of indicators across donor governance assessments, and there is considerable confusion regarding the difference between *assessments* and *indicators*.
8. Some donors use assessments to identify areas of need (e.g. DFID) while others use assessments to act as a litmus test for aid allocation, and this differentiation in purpose is linked to differences in governance assessments.

INTRODUCTION

The term 'good governance' emerged in the late 1980s and early 1990s primarily in the World Bank, which was concerned about the ways in which governance influenced economic performance. The economic dimension of good governance has variously included public sector management, organisational accountability, the rule of law, transparency of decision-making, and access to information. This idea was taken on board by the OECD and EU and integrated into its requirements for development assistance. It was later expanded by the United Nations Development Programme (UNDP) to incorporate a political dimension that includes government legitimacy, government accountability, government competence, and the protection of human rights through the rule of law. The UNDP has also developed the concept over the years from one that refers to state institutions and state capacity to one that includes a role for civil society and the private sector.

In addition to these prominent inter-governmental donor agencies, good governance has since been adopted as a general policy area by an increasing number of countries, both as an *end* in itself, and as a *means* to achieving successful and equitable economic development. While countries and donor agencies have typically used the concept in a technocratic and 'apolitical' way, the UNDP and some countries (e.g. the United States and Germany) include democracy as a key component of good governance, or use the term 'democratic governance'.

Empirical research to date has found a positive and significant relationship between good governance and economic performance,¹ which has in part been behind the turn within the donor community to link aid allocation to governance. But empirical research finds mixed evidence for a link between the quality of governance in recipient states and the allocation of aid from countries and international aid agencies, such as the World Bank. Using one aspect of governance, the protection of human rights, there is no evidence that donor governments use the record of human rights protection in partner countries in making aid allocation decisions,² but there is evidence that the World Bank has done so for its structural adjustment programmes (SAPs).³

Nevertheless, increasingly countries and donor agencies are using governance as a key concept and operational tool for mediating their aid modalities and designing different aid instruments. For example, in 2002, the Bush Administration launched the Millennium Challenge Account, which allocates US foreign assistance on the basis of country performance, one dimension of which is governance. In its policy documents, and most notably its 2006 White Paper 'Eliminating World Poverty: Making Governance Work for the Poor', DFID has made strong claims for governance as an open means for achieving the Millennium Development Goals (MDGs), and poverty reduction in particular. Indeed, as part of its new strategy, DFID will carry out country

¹See e.g. Knack, S. (ed) (2003) *Democracy, Governance, and Growth*, Ann Arbor: University of Michigan Press; See also the 'Governance Matters' work at the World Bank www.worldbank.org/wbi/governance/govmatters4

²Zanger, S. C. (2000b) 'Good Governance and European Aid: The Impact of Political Conditionality', *European Union Politics*, 1 (3): 293-317. Carey, S. (2007) 'European Aid: Human Rights Versus Bureaucratic Inertia?' *Journal of Peace Research*, 44 (4): 447-464.

³Abouharb, R. and Cingranelli D. (2007) *Human Rights and Structural Adjustment*, Cambridge: Cambridge University Press.

governance assessments (CGA) for all partner countries.⁴ In revising its aid strategy, both the governments of Canada (CIDA) and Sweden (SIDA and MOFA) are paying increasing attention to the link between democracy, good governance and economic development. These initiatives also reflect the World Bank's development of governance indicators as well as its use of the Country Policy Institutional Assessment (CPIA).

These developments among donor agencies and countries reflect the general tone and the more specific pledges made in the 2005 Paris Declaration⁵, which seeks to harmonise donor strategies, address the institutional dimension and capacity in partner countries, provide the means for local ownership of the aid relationship, and greater mutual accountability and transparency in ways that enhance overall aid effectiveness. In particular, the Declaration pledges donors and partner countries to carry out 'reliable assessments' and 'diagnostic reviews' on the extent to which countries 'adhere to broadly accepted good practices'.

AIMS AND OBJECTIVES

This draft report maps these developments by surveying all the main international donor countries and donor agencies⁶ and analyses the degree to which governance features as a policy aim (both as an *end* and *means*), as well as the different ways in which donor countries and agencies assess the quality of governance in partner countries. The report is divided into four main sections:

Section One outlines the main conceptual issues, including definitions of governance, the goals of donors with respect to governance and governance assessment.

Section Two reviews the different dimensions of governance and how they are measured, making reference to available sources and databases on governance indicators.

Section Three contains the main results of the preliminary survey by listing examples of donor practice across the concepts of governance used, the types of assessments being carried out, and the main indicators of governance that are being deployed.

Section Four discusses the main lacunae, areas for further research that the new OECD survey will need to take on board, and remaining challenges for donors in formulating policy with respect to governance, including at the conceptual, methodological, and practical levels.

I. MAIN CONCEPTUAL AND EMPIRICAL ISSUES

Governance is a term with a long historical provenance and has been the subject of attention from scholars and practitioners from Aristotle to the present day. Its attraction of late has been a consequence of its importance for development and as an 'apolitical' concept to refer to the ways in which societies are governed that can remain suitably technocratic for policy makers in donor countries and agencies. The

⁴ DfID (2007) *How to Note on Country Governance Analysis* (London: DfID), at <<http://www.dfid.gov.uk/pubs/files/how-to-cga.pdf>>

⁵ *Paris Declaration on Aid Effectiveness: Ownership, Harmonisation, Alignment, Results, and Mutual Accountability* < <http://www.oecd.org/dataoecd/11/41/34428351.pdf>>

⁶ The full list of countries and donor agencies appears in Appendix 1.

Commission on Global Governance provides a useful starting point by defining governance as

the sum of the many ways individuals and institutions, public and private, manage their common affairs. It is the continuing process through which conflicting or diverse interests may be accommodated and co-operative action may be taken.' (see Weiss 2000: 796).

Various definitions have evolved and now include three broad types: (1) governance, which is the most neutral and refers to sound public financial management; (2) good governance, which retains the economic and financial elements, but adds elements of accountability and transparency of decision-making, and the rule of law, especially the protection of property rights and respect for contracts; and (3) democratic governance, which retains the elements of the previous definitions, but adds elements of democracy (especially horizontal and vertical accountability) and respect for human rights (civil, political, economic, social, and cultural).⁷

It is clear from the preliminary survey of donors that different aspects of these different conceptions of governance have been adopted, combined, and modified by different donors. Examples include:

World Bank: governance is about the ways in which power is exercised over the management of economic and social resources (Weiss 2000: 797). Related regional banks adopt similar language (i.e. the Asian Development Bank, Inter-American Development Bank, and the African Development Bank).

UNDP: provides a much more holistic (in breadth and depth) definition that includes 'values, policies, institutions' found within the state, civil society, and the private sector (UNDP 2007: 1).

The European Commission: good governance is defined as 'the transparent and accountable management of all a country's resources for its equitable and sustainable economic and social development' (European Commission 1998) and as comprising six components: human rights, democratisation, the rule of law, the enhancement of civil society and public administration reform (including decentralisation) (Draft EC Good Governance Manual, version created 04/02/2003).

EuropeAid: Governance concerns the state's ability to serve the citizens. It refers to the rules, processes, and behaviour by which interests are articulated, resources are managed, and power is exercised in society (EuropeAid 2004: 5).

International Monetary Fund: governance encompasses all aspects of the way a country is governed, including its economic policies and regulatory framework (IMF 2003).

⁷ In its State of Democracy assessment framework, International IDEA uses two main dimensions of democracy: (1) popular control over public decisions and decision makers, and (2) equality of respect and voice between citizens in the exercise of that control. These two core principles are then realised through seven mediating values, including participation, authorisation, representation, accountability, transparency, responsiveness, solidarity (see IDEA 2002).

OECD: governance is 'the use of political authority and exercise of control in society in relation to the management of its resources for social and economic development' (OECD, 1995).

Donor countries have followed suit with various definitions of governance and good governance. Table 1.1 provides several examples of definitions that have been adopted by various OECD donor countries.

Table 1.1. Country conceptions of governance and good governance

Country	Definition of (Good) Governance
Australia	Good governance -- "competent management of a country's resources and affairs in a manner that is open, transparent, accountable, equitable, and responsive to people's needs" (AusAid 2000: 3).
Austria	Good governance -- "transparent and accountable management of human, natural, economic and financial resources for the purposes of equitable and sustainable development" (ADC 2006: 5).
Canada	"Good" governance is the exercise of power by various levels of government that is effective, honest, equitable, transparent and accountable." (CIDA 1999: 21).
Denmark	"the way countries/societies/organisations organize to protect human rights; to elect governments, appoint office bearers and promote accountability; to provide conflict resolution and social and other services to the people through a public sector" (DANIDA 2004: 1).
Finland	Governance: sub-sector dealing with administrative reforms or as a 'cross-cutting issue'; 'Democratic governance' is often used synonymously with 'good governance' or 'governance' (MOFA Finland 2001: 50).
Germany	"Strengthening good governance - meaning democratisation, the rule of law, anti-corruption measures and the participation of civil society" (BMZ 2002: 6-7).
Ireland	"Governance relates to the way in which power is exercised in the management of a country's economic and social resources for development." (IrishAid 2007).
Netherlands	Rules and agreements between a government, its citizens and enterprises. (MOFA Netherlands)
Sweden	"the exercise of executive power on the basis of the rule of law, responsibility, openness, integrity and efficiency...accountability and transparency of public authorities & the relationship between public authorities and citizens" (SIDA 2003: 27).
Switzerland	"exercise of economic, political and administrative authority at all levels in a country" (SDC website).
United Kingdom	"the use of power and authority and how a country manages its affairs"; Relationships between citizens and the state reflected in political and economic institutions and organisations; Tackling material deprivation & powerlessness (DfID 2007: 6).
USA (USAID)	"ability of government to develop an efficient, effective, and accountable public management process that is open to citizen participation and that strengthens rather than weakens a democratic system of government" (USAID 1998: 19).

It is clear that there is not yet a harmonised definition of governance in use across donors, but in general the concept comprises an economic and political dimension. The economic dimension has variously included public sector management, organizational accountability, the rule of law (particularly the enforcement of property

rights and contracts), transparency of decision-making, and access to information, while the political dimension includes government legitimacy, government accountability, government competence, and the protection of human rights through the rule of law (see Landman and Häusermann 2003: 86-87). The UNDP, German and US definitions and policy documents on governance include 'democracy' when referring to governance; while other inter-governmental donor agencies (especially the World Bank) and countries do not use democracy explicitly.⁸

There is also a great deal of conceptual confusion and a certain elision of the economic and political dimensions of governance. Governance refers to sound management of social and economic resources but then is seen as an independent variable for explaining superior economic performance. There is thus a danger of tautology: well-governed societies have good economic performance and societies with good economic performance are well governed.

Empirical work on the benefits of democracy on development shows that at best democracies are no worse than non-democracies at encouraging economic growth⁹ and that they are better at promoting human development (as measured by the UNDP's human development index) than non-democracies.¹⁰ Nevertheless, democracy is seen as a valuable end in itself from a normative and philosophical view, as well as a global consensus that evolved from early commitments made in the Universal Declaration of Human Rights (especially Article 21) through to the 2000 Millennium Declaration. This normative commitment to democracy is echoed in the work on governance, for which the empirical evidence to date, is more consistent in demonstrating a positive link between governance and economic development.¹¹

II. MEASURING GOVERNANCE

Measuring governance, like measuring other concepts, involves specifying the content and meaning of the concept, identifying possible indicators for the concept, and then assigning particular scores for the indicators on particular units of analysis.¹²

Indicators provide specific information on the condition or state of something, which can either be expressed quantitatively or qualitatively. Scores can be qualitative (e.g. yes, no, to some degree) or quantitative (e.g. 1, 2, 3, etc) in nature, while units can be individuals, groups, municipalities, cities, countries, and regions. Thus, using such scores on units, governance indicators provide specific information on the state of governance in a country or more particular aspects of governance, such as corruption, human rights, the rule of law, participation in decision-making, gender equality, among many others.¹³

⁸ See, for example, the 2002 *Human Development Report*, in particular, pages 51 to 61, and <http://www.undp.org/governance>.

⁹ See, e.g. Przeworski, A., Alvarez, M.E., Cheibub, J.A., and Limongi, F. (2000) *Democracy and Development: Political Institutions and Well-being in the World, 1950–1990*, Cambridge: Cambridge University Press.

¹⁰ Ersson, S. and Lane, J.E. (1996) 'Democracy and Development: A Statistical Exploration', in A. Leftwich (ed.) *Democracy and Development*, Cambridge: Polity, 45–73.

¹¹ Knack, *op cit*.

¹² For an excellent overview of measurement in the social sciences, see Adcock, R. and Collier, D (2001) 'Measurement Validity: A Shared Standard for Qualitative and Quantitative Research', *American Political Science Review*, 95 (3): 529-546.

¹³ See UNDP (2007) *Governance Indicators: A Users' Guide*, Oslo: Oslo Governance Centre.

Governance assessments, on the other hand, use governance indicators to make a balanced and well-informed judgement about the overall patterns that are observed in the various indicators and the degree to which particular aspects of governance are improving or deteriorating. Frameworks for governance assessment typically comprise different aspects of governance and specify the kind of indicators that ought to be collected to carry out the assessment.

Governance Indicators

Since the 1980s academics, IGOs, and NGOs (as well as private sector companies) have been developing different indicators of governance, which can be arranged into five main groups.

1. Proxy measures of the political and legal institutions in terms of **liberties and freedom from state constraint**. Indicators for this understanding of governance have thus included the Freedom House scales for civil and political liberties, the Heritage Foundation and the Wall Street Journal's scores of economic freedom, and the Fraser Institute's Index of Economic Freedom.
2. **Political violence** indicators (revolutions, military coups, and political assassinations) can be used as proxy measures for political instability, or 'bad' governance. Such indicators are seen to represent the variable respect for property rights, where high levels of political violence mean a low respect for property rights.
3. Expert opinion polls on the **business and economic environment** of countries developed by private companies in the 1970s, such as Business International, the Political Risk Services, Business Environmental Risk Intelligence (BERI), and Transparency International produce scales that rank countries across a range of indicators, including political credibility, the credibility of rules, the development of the 'social infrastructure', the legal system and the judiciary, political stability, the risk of expropriation, repudiation of contracts, and the prevalence of corruption, influence, and so-called 'state capture'. The United Nations University World Governance Survey Project (WGS), a collaborative effort between academics and the UNDP, is the only public body to produce expert opinion surveys on good governance.
4. **Objective measures**, such as 'contract-intensive money', or CIM (Clague et al. 1995, 1997, 1999), where the logic of using CIM as a measure of good governance is that 'individuals will hold a larger proportion of their financial assets in the form of currency in environments where third-party enforcement of contracts is unreliable' (Knack 2002:12).
5. **Hybrid measures**, such as the 'governance matters' series at the World Bank maximise the use of a broad range of available indicators on good governance through a data reduction technique called 'unobserved components model' (a variant of factor analysis) to combine up to 300 disparate indicators of good governance into six separate indices. These separate indices include: (1) voice and accountability, (2) political instability and violence, (3) government effectiveness, (4) regulatory burden, (5) rule of law, and (6) graft.

Of these indicators of good governance, both the scale-based measures of economic freedom (Heritage Foundation/Wall Street Journal) and the expert opinion measures have survived the test of time, while there is an emerging hegemony of the combined scores, as well as the call for the use of objective indicators such as the CIM.

Our survey has already revealed that many donors are using a variety of these indicators in their separate and combined forms, which in some cases (e.g. DFID) are combined with qualitative analysis conducted by Country Offices.

Like the conceptual confusion noted above, there is considerable confusion among donors regarding the differentiation between assessments and indicators with some countries using data from assessments as data sources for indicators (e.g. World Bank's CPIA and the IRAI index derived from it).

III. DONOR USE OF GOVERNANCE INDICATORS AND ASSESSMENTS

The following section lists the donors and countries that were surveyed and different dimensions of their assessments. The assessments comprising the database reflect donor and country practice on governance assessments. Assessments may be otherwise considered to be governance assessments (e.g. assessments of organisational capacity or administrative performance of state institutions), but if they have not been explicitly earmarked as assessing governance, they were not included in this survey. Moreover, as this is a desk study only, the information comes from all publicly available sources published in English. Internet sources are up to date at time of access, which was throughout July, August, and September 2007. Information was not available for a total of 18 countries (see Appendix 1).

The assessment information is organised according to the following categories:

1. Country/Region (some countries use multiple forms of assessment)
2. Donor Agency
3. Assessment
4. Producer
5. Method of Assessment
6. Transparency of the methodology
7. Coverage range (temporal and spatial)
8. Indicators used
9. Levels of disaggregation
10. Local stakeholder involvement
11. Use of the assessment
12. Potential use in donor activity
13. Online links

Country/Region	Africa	Donor Agency	African Development Bank (AfDB)
Assessment	Public Expenditure Review (PER)		
Producer	World Bank		
Method of Assessment	Assessment of public spending allocations & institutions responsible for public expenditure management; Activities reviewed dependent on level of aid given, domestic oversight capacity, government willingness to be reviewed & capacity to assist in the review		
Transparency of Methodology	Criteria: 1) budgetary performance (level of public expenditure & incentives for fiscal discipline, composition of public expenditure, value for money); 2) budget management (formulation & approval of budgets, implementation, feedback loops)		
Coverage Range	N.A.		
Indicators used	None specified		
Levels of disaggregation	None specified		
Local stakeholder involvement	3 prototypes of assessment: wholly in-house PER, Bank-led participatory PER, & joint- or client-led PE work		
Use of Assessment	Tool of analysis to conduct a public financial management assessment		
Potential use in donor activity	Can be used at the national and programme levels		
Online links	http://go.worldbank.org/00TPROWJ00		

Country/Region	Africa	Donor Agency	African Development Bank (AfDB)
Assessment	Country Financial Accountability Assessment (CFAA)		
Producer	World Bank		
Method of Assessment	Review of the financial accountability arrangements in a country's public & private sectors		
Transparency of Methodology	Assessment of PFM system: budget development, budget execution & monitoring, external fiscal reporting & transparency, internal & external auditing, & legislative scrutiny of budget execution		
Coverage Range	15 regional member countries		
Indicators used	Not specified		
Levels of disaggregation	Not specified		
Local stakeholder involvement	Assessments can be undertaken in consultation with of with the active participation of the government		
Use of Assessment	Tool of analysis to assess the degree to which regional member country (RMC) practices differ from internationally accepted standards		
Potential use in donor activity	Can be used at the national level		
Online links	http://go.worldbank.org/00TPROWJ00		

Country/Region	Africa	Donor Agency	African Development Bank (AfDB)
Assessment	Country Governance Profiles		
Producer	African Development Bank (AfDB)		
Method of Assessment	To assess 5 themes: accountability, transparency, participation, legal & judicial systems,& combating corruption & money laundering; issue papers & desk studies based on existing sources, questionnaires administered to public & private sector officials,& CSOs		
Transparency of Methodology	Initial issues papers and desk study to identify main issues & data sources; questionnaires self-administered & as interview instrument		
Coverage Range	ADB member states		
Indicators used	None specified		
Levels of disaggregation	None specified		
Local stakeholder involvement	In-country team that undertakes analysis of the questionnaires & other data collected could include in-country participants from specialized areas		
Use of Assessment	Input to Country Strategy Paper & the CPIA; Reference point for assessment of financial management capacity of project implementing agencies; Basis for dialogue with the borrower & development partners; Source of recommendations to improve governance issues		
Potential use in donor activity	Can be used at the national level		
Online links	http://www.afdb.org		

Country/Region	Africa	Donor Agency	African Development Bank (AfDB)
Assessment	Country Procurement Assessment Review (CPAR)		
Producer	World Bank		
Method of Assessment	Assessment of the country's procurement system undertaken by country staff in consultation with country stakeholders using a questionnaire developed by the World Bank		
Transparency of Methodology	Criteria: legal framework, procurement system organizational framework, and procurement capacity building system, procurement procedures, decision-making & control systematic-corruption initiatives, private sector participation, contract administration, redressal		
Coverage Range	seven regional member countries		
Indicators used	Not specified		
Levels of disaggregation	Not specified		
Local stakeholder involvement	Participation of the country is considered essential in every stage of the assessment		
Use of Assessment	Tool of analysis to assess the transparency of national procurement systems		
Potential use in donor activity	Can be used at the national level		
Online links	http://go.worldbank.org/RZ7CHIRF60		

Country/Region	Asia	Donor Agency	Asian Development Bank (ADB)
Assessment	Country Governance Assessment		
Producer	ADB		
Method of Assessment	Assessment along 5 main themes: public administration, public financial management, legal & regulatory framework, judicial system, & civil society & governance; Framework allows for quantitative and/or qualitative methods		
Transparency of Methodology	No guidance on the process of, sources for or resources required for implementing the framework		
Coverage Range	12 Asian countries; assessments carried out between 1999 and 2006		
Indicators used	Not specified		
Levels of disaggregation	Country-dependent		
Local stakeholder involvement	None specified		
Use of Assessment	"To systematically assess the quality of governance for development member countries (DMCs), and to strengthen the linkage between the quality of governance and levels and composition of assistance"		
Potential use in donor activity	Can be used at the national level		
Online links	http://www.adb.org/Governance/gov_cga.asp		

Country/Region	Australia	Donor Agency	Australian Agency for International Development (AusAID)
Assessment	Proposed sources for Economic Governance		
Producer	To be developed in association with partner governments as part of country strategy performance frameworks agreed upon by the former and AusAID		
Method of Assessment	Government budget allocations for core services considered imperative for reducing poverty--health, education, and law and order; Improvements in budget regulation; Progress in implementation of economic & public sector reforms		
Transparency of Methodology	not specified		
Coverage Range	not specified		
Indicators used	Not specified		
Levels of disaggregation	Based on country-specific situation		
Local stakeholder involvement	To be developed in association with partner governments as part of country strategy performance frameworks agreed upon by the former and AusAID		
Use of Assessment	Map 'incentives for good performance'--improved governance between countries and competitiveness between regional agencies within countries--up to 10% of additional resources of aid programme allocated to these countries; also linked to 'output-based aid'		
Potential use in donor activity	Could be used at the national and sector levels		
Online links	http://www.ausaid.gov.au/publications/pdf/whitepaper.pdf		

Country/Region	Australia	Donor Agency	Australian Agency for International Development (AusAID)
Assessment	Proposed sources for Political Governance		
Producer	To be developed in association with partner governments as part of country strategy performance frameworks agreed upon by the former and AusAID		
Method of Assessment	Independent corruption ratings; in the Pacific--commitments to sensible regional governance arrangements		
Transparency of Methodology	not specified		
Coverage Range	not specified		
Indicators used	Not specified		
Levels of disaggregation	Based on country-specific situation		
Local stakeholder involvement	To be developed in association with partner governments as part of country strategy performance frameworks agreed upon by the former and AusAID		
Use of Assessment	Map 'incentives for good performance'--improved governance between countries and competitiveness between regional agencies within countries--up to 10% of additional resources of aid programme allocated to these countries; also linked to 'output-based aid'		
Potential use in donor activity	Could be used at the national and sector levels		
Online links	http://www.ausaid.gov.au/publications/pdf/whitepaper.pdf		

Country/Region	Australia	Donor Agency	Australian Agency for International Development (AusAID)
Assessment	Pacific 2020		
Producer	AusAID		
Method of Assessment	Assessment of growth and policy performance using official statistics taken from the countries in the Pacific region and academic publications		
Transparency of Methodology	Background papers by experts, AusAID, Australian Treasury & World Bank; Formal peer review of background papers and report involving other Australian Government departments, regional organisations, IFIs & donor agencies in the region		
Coverage Range	Pacific and East Timor		
Indicators used	Some qualitative indicators used; assessment largely descriptive		
Levels of disaggregation	Regional- and country-level assessment		
Local stakeholder involvement	Consultation with academic & sectoral experts to determine nine critical areas of growth; Discussions with regional governments, private sector & civil society, IFIs and donor agencies		
Use of Assessment	To highlight constraints to growth, and suggest reform options; policy guidance on managing nine critical areas of growth--private sector investment, land, labour, political governance, agriculture, fisheries, forestry, mining and petroleum, tourism		
Potential use in donor activity	Can be used at the national and sector levels		
Online links	http://www.ausaid.gov.au/hottopics/topic.cfm?ID=4696_2977_1016_710_2650		

Country/Region	Australia	Donor Agency	Australian Agency for International Development (AusAID)
Assessment	2008 Pacific Survey (proposed)		
Producer	AusAID		
Method of Assessment	Assessment of economic growth and policy performance using official statistics on current economic growth to be taken from the countries in the Pacific region; Forecasts and trends from countries & IFIs;		
Transparency of Methodology	Consultants to write background papers; Formal peer review involving other Australian Government departments, leading academics, IFIs & donor agencies in the region		
Coverage Range	Pacific and East Timor; 2008-2012 (annual)		
Indicators used	mix of quantitative and qualitative indicators proposed; Indicators used so far largely quantitative		
Levels of disaggregation	Regional- and country-level assessment		
Local stakeholder involvement	Consultation between report writers & consultants (writing background papers) and policy-makers in-country on growth policy issues & prospects		
Use of Assessment	To provide policy-makers and interested parties with an analysis of recent growth and prospects for the future		
Potential use in donor activity	Could be used at the national and sector levels		
Online links	http://www.ausaid.gov.au/publications/pdf/pacificsurvey08.pdf		

Country/Region	Austria	Donor Agency	Austrian Development Agency (ADA)/ Foreign Ministry
Assessment	PEFA Public Financial Management (PFM) Performance Measurement Framework		
Producer	Public Expenditure and Financial Accountability (PEFA)		
Method of Assessment	3-level quantitative assessment of PFM system: indicators map operation of systems, processes& institutions; findings compared to standardized core dimensions of PFM performance;2nd-tier findings assess fiscal discipline, resource allocation& service delivery		
Transparency of Methodology	2 scoring methods used alternatively to aggregate multiple dimensions of indicators into one score; triangulation of sources		
Coverage Range	first round of assessments in 2005-2007; 42 countries		
Indicators used	Official statistics from the Ministry of Finance, Auditor General and other relevant government departments		
Levels of disaggregation	None		
Local stakeholder involvement	Assessment undertaken by country teams		
Use of Assessment	To assess reliability of country systems--half of partner countries should move up at least 1 measure (0.5 points) on the PFM/CPIA index		
Potential use in donor activity	Can be used at the national level		
Online links	http://www.pefa.org/		

Country/Region	Canada	Donor Agency	Canadian International Development Agency (CIDA)
Assessment	Africa Peer Review Mechanism reports		
Producer	African Union		
Method of Assessment	Countries develop assessment reports (using self-administered questionnaires) & programme of action on 4 themes--Democracy & Political Governance, Economic Management, Corporate Governance,& Socio-economic Development		
Transparency of Methodology	Country-self-assessment reports are peer reviewed by Panel of Eminent Persons in consultation with local stakeholders; Country Review Team writes response report; progress in implementing programmes of action self-assessed in later years		
Coverage Range	27 countries		
Indicators used	None		
Levels of disaggregation	None specified		
Local stakeholder involvement	Peer review undertaken in consultation with local stakeholders		
Use of Assessment	Used as an indicator of increasing efforts towards accountable & transparent governance in Africa		
Potential use in donor activity	Can be used at the national level		
Online links	http://www.nepad.org/aprm/		

Country/Region	Denmark	Donor Agency	Ministry of Foreign Affairs (Danida)
Assessment	Assessment of country programmes		
Producer	Danida		
Method of Assessment	Questionnaire includes a section on the developments in the country on good governance -- willingness to fight corruption, financial management, quality of procurement procedures, & institutional reforms		
Transparency of Methodology	Country performance rated from a (very satisfactory) to d (very unsatisfactory); Ratings refer to the change in the situation rather than comparing current state of affairs to an ideal situation		
Coverage Range	Programme countries		
Indicators used	General guidance to utilize World Bank documents, anti-corruption surveys or other relevant analyses		
Levels of disaggregation	None		
Local stakeholder involvement	Not specified		
Use of Assessment	To assess impact of country programmes on country situations including its record on good governance		
Potential use in donor activity	Can be used at the national level		
Online links	http://amg.um.dk/en/menu/ManagementTools/RepresentationsAssessment/		

Country/Region	Denmark	Donor Agency	Ministry of Foreign Affairs (Danida)
Assessment	Good governance impact assessments		
Producer	Danida		
Method of Assessment	Monitoring of aid activities at 2 levels: activities and outputs & outcome and impact;		
Transparency of Methodology	Based on OECD DAC Aid Harmonization Guidelines		
Coverage Range	Country programmes		
Indicators used	Country ratification of UN human rights treaties; country-specific PRSPs; MDG indicators		
Levels of disaggregation	None specified		
Local stakeholder involvement	Assessment to be undertaken by country offices		
Use of Assessment	Towards aid harmonization and effective aid monitoring		
Potential use in donor activity	Can be used at the national and programme levels		
Online links	http://www.danidadevforum.um.dk/NR/rdonlyres/9524BE22-26AE-475E-BA93-F599323E8493/0/MonitoringSystems.pdf		

Country/Region	Europe	Donor Agency	EuropeAid
Assessment	UN Common Country Assessment		
Producer	United Nations		
Method of Assessment	Strategic analysis including risk assessment using indicator framework for identifying key development issues facing the country; Common & country-specific indicators to be used in agreement with local stakeholders;		
Transparency of Methodology	5 components of indicators framework: Related to development goals set at UN summits; on governance, democracy, justice administration, & personal liberties; Demographic & economic indicators; to monitor MDG 8; Thematic indicators on country-specific issues		
Coverage Range	All UN countries		
Indicators used	A mix of qualitative & quantitative indicators; country-specific indicator choices dependent on country teams		
Levels of disaggregation	Disaggregation with respect to race, colour, language, gender, religion, ethnic or social origin, property, disability, displaced persons, indigenous peoples, etc. & geographic level		
Local stakeholder involvement	To be undertaken by UN country teams in consultation with local stakeholders including government officials and civil society organisations		
Use of Assessment	To measure democratic governance		
Potential use in donor activity	Can be used at the national level		
Online links	http://www.undp.or.id/mdg/documents/Guidance%20for%20CCA%20and%20UNDAF.pdf		

Country/Region	Europe	Donor Agency	EuropeAid
Assessment	Governance Assessment		
Producer	EuropeAid		
Method of Assessment	2 stage analysis using 6 clusters(democratisation,human rights, rule of law, civil society, public administration, decentralization)& 6 principles(participation, equity, organisational adequacy,transparency & accountability, conflict prevention, anti-corruption)		
Transparency of Methodology	Horizontal analysis of programmes to analyze if they incorporate governance principles & concerns (grouped into 6 clusters); Vertical detailed analysis of each cluster if the first stage of analysis produces mixed results		
Coverage Range	N.A.		
Indicators used	Quantitative and qualitative indicators		
Levels of disaggregation			
Local stakeholder involvement	Not specified		
Use of Assessment	To help ensure that, so far as possible, all actions in EuropeAid's projects and programmes will have a positive impact on governance; Recognition that other aspects of governance like corporate governance not covered		
Potential use in donor activity	Can be used at the national and programme levels		
Online links	http://ec.europa.eu/europeaid/projects/eidhr/pdf/themes-gg-handbook_en.pdf		

Country/Region	Finland	Donor Agency	Department for International Development Co-operation
Assessment	UN Common Country Assessment		
Producer	United Nations		
Method of Assessment	Strategic analysis including risk assessment using indicator framework for identifying key development issues facing the country; Common & country-specific indicators to be used in agreement with local stakeholders;		
Transparency of Methodology	5 components of indicators framework: Related to development goals set at UN summits; on governance, democracy, justice administration, & personal liberties; Demographic & economic indicators; to monitor MDG 8; Thematic indicators on country-specific issues		
Coverage Range	All UN countries		
Indicators used	A mix of qualitative & quantitative indicators; country-specific indicator choices dependent on country teams		
Levels of disaggregation	Disaggregation with respect to race, colour, language, gender, religion, ethnic or social origin, property, disability, displaced persons, indigenous peoples, etc. & geographic level		
Local stakeholder involvement	To be undertaken by UN country teams in consultation with local stakeholders including government officials and civil society organisations		
Use of Assessment	To measure 'democratic governance'		
Potential use in donor activity	Can be used at the national level		
Online links	http://www.undp.or.id/mdg/documents/Guidance%20for%20CCA%20and%20UNDAF.pdf		

Country/Region	Finland	Donor Agency	Department for International Development Co-operation
Assessment	Guidelines for Programme Design, Monitoring and Evaluation		
Producer	Department for International Development Co-operation		
Method of Assessment	Assessment of good governance as a cross-cutting theme at every stage of the programme cycle: country consultation, programme identification, programme planning, programme implementation, mid-term review, programme termination & handover		
Transparency of Methodology	To be undertaken by country offices in consultation with country stakeholders		
Coverage Range	Programme countries		
Indicators used	None specified		
Levels of disaggregation	None		
Local stakeholder involvement	None specified		
Use of Assessment	Used in every stage of the programme process		
Potential use in donor activity	Can be used at the programme level		
Online links	http://formin.finland.fi/public/default.aspx?contentid=69184&nodeid=34606&contentlan=2&culture=en-US		

Country/Region	Global (IMF)	Donor Agency	International Monetary Fund (IMF)
Assessment	Financial System Stability Assessments (FSSAs) under the Financial Sector Assessment Program (FSAP)		
Producer	IMF		
Method of Assessment	In-house teams undertake assessment of a country's financial sector		
Transparency of Methodology	Assessment involves a Macprudential Analysis: stress testing and scenario analysis using financial system soundness indicators & macroeconomic data, supplemented by qualitative & structural information & market-based data		
Coverage Range	N.A.		
Indicators used	Mix of qualitative and quantitative indicators		
Levels of disaggregation	None		
Local stakeholder involvement	Undertaken with the agreement of and in consultation with the national government		
Use of Assessment	To assess the financial sector of a country		
Potential use in donor activity	Can be used at the national level		
Online links	http://www.imf.org/external/np/fsap/2001/review.htm		

Country/Region	Global (IMF)	Donor Agency	International Monetary Fund (IMF)
Assessment	Debt Sustainability Analysis/Framework (DSA/DSF)		
Producer	IMF and World Bank		
Method of Assessment	3 pillars of the analysis: standardized analysis of debt & debt-service dynamics, debt sustainability assessment, & recommendations on a borrowing (& lending) strategy		
Transparency of Methodology	Assessments prepared jointly by Fund & Bank staff with discussions of results with local stakeholders and multilateral organisations recommended post-analysis		
Coverage Range	23 joint assessments produced; 2005 onwards (annual); applicable to PRGF-eligible countries only		
Indicators used	Quantitative indicators		
Levels of disaggregation	None specified		
Local stakeholder involvement	Not specified		
Use of Assessment	"To guide borrowing decisions of low-income countries in a way that matches their need for funds with their current and prospective ability to service debt, tailored to their specific circumstances"		
Potential use in donor activity	Can be used at the national level		
Online links	http://www.imf.org/external/np/pp/2007/eng/041607.pdf		

Country/Region	Global (IMF)	Donor Agency	International Monetary Fund (IMF)
Assessment	Social Impact Analysis		
Producer	IMF		
Method of Assessment	Assessment of "the consequences of policy interventions—before, during, and after—on the well-being of different social groups"		
Transparency of Methodology	Assessment of the distributional impact of policies across social groups, based on such factors as gender, ethnicity, age, land ownership, livelihood, and geographic location		
Coverage Range	Countries preparing PRSPs		
Indicators used	Not specified		
Levels of disaggregation	Factors such as gender, ethnicity, age, land ownership, livelihood, and geographic location		
Local stakeholder involvement	To be prepared by national governments with the support of IMF country teams		
Use of Assessment	"To understand the impact of public policies on social and poverty outcomes"		
Potential use in donor activity	Can be used at the national and programme levels		
Online links	http://www.imf.org/external/np/ext/facts/sia.htm		

Country/Region	Global (IMF)	Donor Agency	International Monetary Fund (IMF)
Assessment	Fiscal Transparency Code		
Producer	IMF		
Method of Assessment	Countries can be assessed on their performance using the principles laid down in the code		
Transparency of Methodology	Principles: Clarity of roles and responsibilities, openness of the budget process, Public availability of information, assurances of integrity; data on fiscal responsibility is collected using a questionnaire		
Coverage Range	N.A.		
Indicators used	None specified; examples of good practice highlighted as yardsticks to measure country performance against		
Levels of disaggregation	None specified		
Local stakeholder involvement	Assessment to be carried out in consultation with or by national governments		
Use of Assessment	To assess a country's fiscal transparency		
Potential use in donor activity	Can be used at the national level		
Online links	http://www.imf.org/external/np/pp/2007/eng/051507m.pdf		

Country/Region	Global (World Bank)	Donor Agency	World Bank
Assessment	Financial Sector Assessment (FSA) under the Financial Sector Assessment Program (FSAP)		
Producer	World Bank		
Method of Assessment	In-house teams undertake assessment of a country's financial sector		
Transparency of Methodology	Assessment involves a Macprudential Analysis: stress testing and scenario analysis using financial system soundness indicators & macroeconomic data, supplemented by qualitative & structural information & market-based data		
Coverage Range	N.A.		
Indicators used			
Levels of disaggregation	None		
Local stakeholder involvement	Undertaken with the agreement of and in consultation with the national government		
Use of Assessment	To assess the financial sector of a country		
Potential use in donor activity	Can be used at the national level		
Online links	http://www1.worldbank.org/finance/html/fsap.html		

Country/Region	Global (World Bank)	Donor Agency	World Bank
Assessment	IDA Results Measurement System		
Producer	World Bank		
Method of Assessment	Results are measured on 2 levels: aggregate country outcomes (growth & poverty reduction, governance & investment climate, infrastructure for development, human development) & IDA's contribution to country outcomes		
Transparency of Methodology	IDA's contribution is measured using 6 indicators derived from existing in-house assessments		
Coverage Range	IDA countries		
Indicators used	Quantitative indicators; indicators included in the Indicator datasheet include only those that measure governance		
Levels of disaggregation	Not specified		
Local stakeholder involvement	None		
Use of Assessment	To show aggregated results across IDA countries on country priorities & processes & IDA's contribution to development results		
Potential use in donor activity	Can be used at the national and sectoral levels		
Online links	http://go.worldbank.org/6I59JX27D0		

Country/Region	Global (World Bank)	Donor Agency	World Bank
Assessment	Country Financial Accountability Assessment (CFAA)		
Producer	World Bank		
Method of Assessment	Review of the financial accountability arrangements in a country's public & private sectors		
Transparency of Methodology	Assessment of PFM system: budget development, budget execution & monitoring, external fiscal reporting & transparency, internal & external auditing, & legislative scrutiny of budget execution		
Coverage Range	N.A.		
Indicators used	Not specified		
Levels of disaggregation	Not specified		
Local stakeholder involvement	Assessments can be undertaken in consultation with of with the active participation of the government		
Use of Assessment	Tool of analysis to conduct a public financial management assessment		
Potential use in donor activity	Can be used at the national level		
Online links	http://go.worldbank.org/00TPROWJ00		

Country/Region	Global (World Bank)	Donor Agency	World Bank
Assessment	Performance Based Allocation System		
Producer	IDA (World Bank)		
Method of Assessment	Consists of Country Performance Rating (ICP) that is a weighted score of 2 ratings derived from in-house assessments--CPIA & ARPP--& a governance factor; the final resource allocation is a function of the ICP, country population & GINI/per capita income		
Transparency of Methodology	ICP gives the CPIA outcome a weight of 80% and that of the ARPP 20% & assigning countries to 1 of 5 groups (quintiles); this score is then multiplied by the governance factor to produce the ICP rating for the country		
Coverage Range	Annual		
Indicators used	Quantitative indicators		
Levels of disaggregation	None		
Local stakeholder involvement	None specified		
Use of Assessment	To ensure effective allocation of IDA resources by informing IDA's Country Assistance Strategies		
Potential use in donor activity	Can be used at the national level		
Online links	http://siteresources.worldbank.org/IDA/Resources/ANNEX1CPIA.pdf		

Country/Region	Global (World Bank)	Donor Agency	World Bank
Assessment	Public Expenditure Review (PER)		
Producer	World Bank		
Method of Assessment	Assessment of public spending allocations & institutions responsible for public expenditure management; Activities reviewed dependent on level of aid given, domestic oversight capacity, government willingness to be reviewed & capacity to assist in the review		
Transparency of Methodology	Criteria:1) budgetary performance (level of public expenditure & incentives for fiscal discipline, composition of public expenditure, value for money); 2) budget management (formulation & approval of budgets, implementation, feedback loops)		
Coverage Range	N.A.		
Indicators used	None specified		
Levels of disaggregation	None specified		
Local stakeholder involvement	3 prototypes of assessment: wholly in-house PER, Bank-led participatory PER, & joint- or client-led PE work		
Use of Assessment	Tool of analysis to conduct a public financial management assessment		
Potential use in donor activity	Can be used at the national and programme levels		
Online links	http://go.worldbank.org/00TPROWJ00		

Country/Region	Global (World Bank)	Donor Agency	World Bank
Assessment	Country Procurement Assessment Review (CPAR)		
Producer	World Bank		
Method of Assessment	Assessment of the country's procurement system undertaken by country staff in consultation with country stakeholders using a questionnaire developed by the World Bank		
Transparency of Methodology	Criteria: legal framework, procurement system organizational framework, and procurement capacity building system, procurement making-making & control system, anti-corruption initiatives, private sector participation, contract administration, redressal		
Coverage Range	N.A.		
Indicators used	Not specified		
Levels of disaggregation	Not specified		
Local stakeholder involvement	Participation of the country is considered essential in every stage of the assessment		
Use of Assessment	Tool of analysis to conduct a public financial management assessment		
Potential use in donor activity	Can be used at the national level		
Online links	http://go.worldbank.org/RZ7CHIRF60		

Country/Region	Global (World Bank)	Donor Agency	World Bank
Assessment	Institutional Governance Review (IGR)		
Producer	World Bank		
Method of Assessment	Review of the quality of accountability, policy-making and service delivery institutions; each review is designed around specific country circumstances & issues		
Transparency of Methodology	Largely qualitative assessments centred around pre-determined criteria of assessment; undertaken by in-house teams preferably in consultation with local stakeholders		
Coverage Range	N.A.		
Indicators used	Dependent on the review being used		
Levels of disaggregation	None specified		
Local stakeholder involvement	Consultation with local stakeholders preferred		
Use of Assessment	Tool of analysis to conduct a public financial management assessment		
Potential use in donor activity	Can be used at the national and sectoral levels		
Online links	http://go.worldbank.org/18Y4BVT6N0		

Country/Region	Global (World Bank)	Donor Agency	World Bank
Assessment	Drivers of Change studies		
Producer	Department for International Development (DfID)		
Method of Assessment	Dependent on country-offices undertaking study--largely desk studies		
Transparency of Methodology	Identifying agents, structures & institutions & how their interactions can facilitate change; analysis at 6 levels: country, medium-term dynamics of change, external forces, link change & poverty reduction, operational implications, organisational incentives		
Coverage Range	Over 20 assessments carried out		
Indicators used	Not specified		
Levels of disaggregation	Not specified		
Local stakeholder involvement	Dependent on focus on country offices		
Use of Assessment	To assist World Bank teams design Country Assistance Strategies (CASs) by identifying some of the key areas that can bring about change in governance		
Potential use in donor activity	Can be used at the national level		
Online links	http://139.184.194.47/go/topic-guides/drivers-of-change		

Country/Region	Latin America	Donor Agency	Inter-American Development Bank (IADB)
Assessment	Democratic Governance and		
Producer	IADB		
Method of Assessment	Based on IADB Governance Indicators Database of 400 indicators on business regulation, corruption, financial & fiscal system, labor flexibility & regulations, legal & political system, market openness & regulation, public sector, & social & economic environment		
Transparency of Methodology	Additional historical, social, economic, & other factors added to the DataGob indicators for a more dynamic governance assessment		
Coverage Range	194 countries; time period not specified		
Indicators used	IADB DataGob database of indicators		
Levels of disaggregation	None		
Local stakeholder involvement	None specified		
Use of Assessment	Not specified		
Potential use in donor activity	Can be used at the national level		
Online links	http://www.iadb.org/datagob/index.html		

Country/Region	Norway	Donor Agency	Norwegian Agency for Development Cooperation (Norad)
Assessment	Gender and Empowerment Assessment		
Producer	Norad		
Method of Assessment	10 empowerment factors used to assess development impact on women--access to basic social infrastructure, resources & technology; levels of health, education, opportunities of participation, organisation, income earnings; control over resources; enhances rights		
Transparency of Methodology	Factors to be marked qualitatively as very satisfactory, satisfactory, no change, unsatisfactory, or very unsatisfactory; assessment to be used at every stage of the programme cycle		
Coverage Range	N.A.		
Indicators used	None		
Levels of disaggregation	None		
Local stakeholder involvement	None specified		
Use of Assessment	To assess gender empowerment situations in countries where development programmes are being planned; method for assessing "how a development project affects women and men in terms of empowerment"		
Potential use in donor activity	Can be used at the national and programme level		
Online links	http://www.norad.no/default.asp?MARK_SEARCH=YES&SEARCH_ID=55555&V_ITEM_ID=967		

Country/Region	Norway	Donor Agency	Norwegian Agency for Development Cooperation (Norad)
Assessment	Human Rights Assessment		
Producer	Norad		
Method of Assessment	Assessment of current state obligations (ratification & reservations to human rights treaties) & impact of state obligations (awareness & empowerment) during every stage of the programme cycle		
Transparency of Methodology	Impact of state obligations to be marked qualitatively as having positive impact, no change, negative impact, or no information available		
Coverage Range	N.A.		
Indicators used	None		
Levels of disaggregation	None		
Local stakeholder involvement	None specified		
Use of Assessment	To assess human rights situations in countries where development programmes are being planned; it is a "tool for assessment of potential or actual human rights impact"		
Potential use in donor activity	Can be used at the national and programme level		
Online links	http://www.norad.no/items/968/38/9556558330/Handbook%20in%20human%20rights%20assessment.pdf		

Country/Region	Norway	Donor Agency	Norwegian Agency for Development Cooperation (Norad)
Assessment	Institutional Sustainability Assessment		
Producer	Norad		
Method of Assessment	12 dimensions (3 levels: system, organization & individual) used: purpose, management, financial resources, infrastructure, and performance, institutional competence, personnel, culture, linkages, legal & political framework, external cultural framework, participation		
Transparency of Methodology	12 dimensions to be marked on a scale of 0 (zero or missing) to 3 (to large extent) using 2 methods: basic or detailed institutional assessment; assessment to be used at every stage of the programme cycle		
Coverage Range	N.A.		
Indicators used	None		
Levels of disaggregation	None		
Local stakeholder involvement	None specified		
Use of Assessment	To assess institutional sustainability in countries where development programmes are being planned		
Potential use in donor activity	Can be used at the national and programme level		
Online links	http://www.norad.no/default.asp?MARK_SEARCH=YES&SEARCH_ID=55555&V_ITEM_ID=972		

Country/Region	Sweden	Donor Agency	Swedish International Development Agency (Sida)
Assessment	Public Expenditure Review (PER)		
Producer	World Bank		
Method of Assessment	Assessment of public spending allocations & institutions responsible for public expenditure management; Activities reviewed dependent on level of aid given, domestic oversight capacity, government willingness to be reviewed & capacity to assist in the review		
Transparency of Methodology	Criteria:1) budgetary performance (level of public expenditure & incentives for fiscal discipline, composition of public expenditure, value for money); 2) budget management (formulation & approval of budgets, implementation, feedback loops)		
Coverage Range	N.A.		
Indicators used	None specified		
Levels of disaggregation	None specified		
Local stakeholder involvement	3 prototypes of assessment: wholly in-house PER, Bank-led participatory PER, & joint- or client-led PE work		
Use of Assessment	Tool of analysis to conduct a public financial management assessment		
Potential use in donor activity	Can be used at the national and programme levels		
Online links	http://go.worldbank.org/00TPROWJ00		

Country/Region	Sweden	Donor Agency	Swedish International Development Agency (Sida)
Assessment	Country Assessment in Accountability and Transparency (CONTACT)		
Producer	UNDP		
Method of Assessment	Qualitative assessment of a country's financial management system using questionnaires and checklists based on a set of generic criteria		
Transparency of Methodology	13 criteria: Accountability, transparency & integrity, accounting infrastructure, information management, expenditure planning & budgeting, internal control & auditing, financial reporting, external auditing, revenue administration, debt management, etc		
Coverage Range	N.A.		
Indicators used	None specified		
Levels of disaggregation	None specified		
Local stakeholder involvement	None specified		
Use of Assessment	Tool of analysis to conduct a public financial management assessment		
Potential use in donor activity	Can be used at the national and sectoral level		
Online links	http://www.undp.org/governance/docs/AC_Guides_CONTACT2001.pdf		

Country/Region	Sweden	Donor Agency	Swedish International Development Agency (Sida)
Assessment	Country Financial Accountability Assessment (CFAA)		
Producer	World Bank		
Method of Assessment	Review of the financial accountability arrangements in a country's public & private sectors		
Transparency of Methodology	Assessment of PFM system: budget development, budget execution & monitoring, external fiscal reporting & transparency, internal & external auditing, & legislative scrutiny of budget execution		
Coverage Range	N.A.		
Indicators used	Not specified		
Levels of disaggregation	Not specified		
Local stakeholder involvement	Assessments can be undertaken in consultation with of with the active participation of the government		
Use of Assessment	Tool of analysis to conduct a public financial management assessment		
Potential use in donor activity	Can be used at the national level		
Online links	http://go.worldbank.org/00TPROWJ00		

Country/Region	Sweden	Donor Agency	Swedish International Development Agency (Sida)
Assessment	Country Procurement Assessment Review (CPAR)		
Producer	World Bank		
Method of Assessment	Assessment of the country's procurement system undertaken by country staff in consultation with country stakeholders using a questionnaire developed by the World Bank		
Transparency of Methodology	Criteria: legal framework, procurement system organizational framework, and procurement capacity building system, procurement making-making & control system, anti-corruption initiatives, private sector participation, contract administration, redressal		
Coverage Range	N.A.		
Indicators used	Not specified		
Levels of disaggregation	Not specified		
Local stakeholder involvement	Participation of the country is considered essential in every stage of the assessment		
Use of Assessment	Tool of analysis to conduct a public financial management assessment		
Potential use in donor activity	Can be used at the national level		
Online links	http://go.worldbank.org/RZ7CHIRF60		

Country/Region	Sweden	Donor Agency	Swedish International Development Agency (Sida)
Assessment	Institutional Governance Review (IGR)		
Producer	World Bank		
Method of Assessment	Review of the quality of accountability, policy-making and service delivery institutions; each review is designed around specific country circumstances & issues		
Transparency of Methodology	Largely qualitative assessments centred around pre-determined criteria of assessment; undertaken by in-house teams preferably in consultation with local stakeholders		
Coverage Range	n/a		
Indicators used	Dependent on the review being used		
Levels of disaggregation	None specified		
Local stakeholder involvement	Consultation with local stakeholders preferred		
Use of Assessment	Tool of analysis to conduct a public financial management assessment		
Potential use in donor activity	Can be used at the national and sectoral levels		
Online links	http://go.worldbank.org/18Y4BVT6N0		

Country/Region	Sweden	Donor Agency	Swedish International Development Agency (Sida)
Assessment	PEFA Public Financial Management (PFM) Performance Measurement Framework		
Producer	Public Expenditure and Financial Accountability (PEFA)		
Method of Assessment	3-level quantitative assessment of PFM system: indicators map operation of systems, processes& institutions; findings compared to standardized core dimensions of PFM performance;2nd-tier findings assess fiscal discipline, resource allocation& service delivery		
Transparency of Methodology	2 scoring methods used alternatively to aggregate multiple dimensions of indicators into one score; triangulation of sources		
Coverage Range	first round of assessments in 2005-2007; 42 countries		
Indicators used	Official statistics from the Ministry of Finance, Auditor General and other relevant government departments		
Levels of disaggregation	None		
Local stakeholder involvement	Assessment undertaken by country teams		
Use of Assessment	Tool of analysis to conduct a public financial management assessment of programme countries		
Potential use in donor activity	Can be used at the national level		
Online links	http://www.pefa.org/		

Country/Region	Sweden	Donor Agency	Swedish International Development Agency (Sida)
Assessment	Reports on the Observance of Standards & Codes (ROSC)-- Corporate Governance		
Producer	World Bank		
Method of Assessment	Modified version of OECD Principles of Corporate Governance 1999; assessment done by World Bank on invitation by country authorities; 2-step process: completion of questionnaire on country's corporate governance, preparation of assessment report		
Transparency of Methodology	Questionnaire on corporate governance completed by local consultant identified by World Bank; OECD Principles used as benchmark against which country performance is compared; assessment report prepared in consultation with country officials & stakeholders		
Coverage Range	N.A.		
Indicators used	Not specified		
Levels of disaggregation	Not specified		
Local stakeholder involvement	Local consultant completes the questionnaire; assessment report prepared in consultation with government officials, market participants, investors, and issuers		
Use of Assessment	Tool of analysis to conduct a public financial management assessment		
Potential use in donor activity	Can be used at the national level		
Online links	http://www.worldbank.org/ifa/rosc_cg.html		

Country/Region	Sweden	Donor Agency	Swedish International Development Agency (Sida)
Assessment	Fiduciary Risk		
Producer	DfID		
Method of Assessment	3 steps: Risk identification & evaluation, decision on which risks to be managed by adopting safeguards, assessment whether resultant risks are acceptable given expected benefits		
Transparency of Methodology	World Bank Country Financial Accountability Assessment (CFAA) & World Bank Country Procurement Assessment Review (CPAR) to supplement DfID assessments; Good practice principles & benchmarks set by DfID drawing on IMF's standards on Fiscal Transparency		
Coverage Range	N.A.		
Indicators used	Not specified		
Levels of disaggregation	None		
Local stakeholder involvement	Not specified		
Use of Assessment	Tool of analysis to conduct a public financial management assessment		
Potential use in donor activity	Can be used at the national level		
Online links	http://www.dfid.gov.uk/pubs/files/pfma-fiduciaryrisk.pdf		

Country/Region	Switzerland	Donor Agency	Swiss Agency for Development and Cooperation (SDC)
Assessment	Governance Implementation Guide		
Producer	SDC		
Method of Assessment	Assessment using framework of 63 questions based on governance principles, governance level/type (global, national, local & institutional), & aid modalities		
Transparency of Methodology	Based on 5 governance principles: accountability, transparency, efficiency, participation & non-discrimination		
Coverage Range	N.A.		
Indicators used	Not specified		
Levels of disaggregation	Not specified		
Local stakeholder involvement	Not specified		
Use of Assessment	"Practical manual for the implementation of governance as a transversal theme"; to be used during all stages of the programme cycle		
Potential use in donor activity	Can be used at the national and sectoral levels		
Online links	http://162.23.39.120/dezaweb/ressources/resource_en_156840.pdf		

Country/Region	The Netherlands	Donor Agency	Ministry of Foreign Affairs
Assessment	Stability Assessment Framework (SAF)		
Producer	Netherlands Institute of International Relations 'Clingendael'		
Method of Assessment	Process management tool; 3 steps: Customizing SAF to user's needs by formulating a Terms of Reference (Head Office); Mapping the situation in the country in a draft Reference Document (Consultant); Reviewing & finalizing the Reference Document (Stakeholders)		
Transparency of Methodology	Step 2--Mapping the situation-- involves: trend analysis of twelve important indicators for instability, institutional analysis, political actor analysis & policy assessment		
Coverage Range	5 countries have been assessed so far		
Indicators used	Step 2--Mapping the situation-- utilizes 4 governance indicators, 2 security indicators and 6 socioeconomic development indicators; data sources not specified		
Levels of disaggregation	None specified		
Local stakeholder involvement	Local stakeholders involved in reviewing and finalizing the draft Reference Document		
Use of Assessment	"Analytical tool for stability analysis and strategic planning that helps develop the institutional capacities needed for an integrated policy response in a particular country"		
Potential use in donor activity	Can be used at the national level		
Online links	http://www.clingendael.nl/cscp/research/saf/		

Country/Region	United Kingdom	Donor Agency	Department for International Development (DfID)
Assessment	Country Governance Analysis		
Producer	DfID		
Method of Assessment	Prepared by country offices by using existing data organized along DfID's framework for good governance: state capability, accountability & responsiveness		
Transparency of Methodology	Dialogue with country stakeholders to arrive at "shared understanding of quality of governance"; Assessment to be peer reviewed by DfID's Quality Assurance Group		
Coverage Range	mandatory for all programme countries in the preparation of their Country Assistance Plans (CAPs)		
Indicators used	Mix of qualitative and quantitative indicators suggested; Choice of indicators up to country offices--web- or paper-based; should be framed within the governance framework (political and economic principles) & based on info in the public domain		
Levels of disaggregation	Dependent on country offices and indicators used		
Local stakeholder involvement	Dialogue with country stakeholders on analyzing data collected for the governance assessment		
Use of Assessment	"To put a comprehensive governance analysis at the heart of the country planning process in order to better inform [DfID] strategies and [DfID] decision making"		
Potential use in donor activity	Can be used at the national, sectoral and programme levels		
Online links	http://www.dfid.gov.uk/pubs/files/how-to-cga.pdf		

Country/Region	United Kingdom	Donor Agency	Department for International Development (DfID)
Assessment	Reports on the Observance of Standards & Codes (ROSC)-- Corporate Governance		
Producer	World Bank		
Method of Assessment	Modified version of OECD Principles of Corporate Governance 1999; assessment done by World Bank on invitation by country authorities; 2-step process: completion of questionnaire on country's corporate governance, preparation of assessment report		
Transparency of Methodology	Questionnaire on corporate governance completed by local consultant identified by World Bank; OECD Principles used as benchmark against which country performance is compared; assessment report prepared in consultation with country officials & stakeholders		
Coverage Range	N.A.		
Indicators used	Not specified		
Levels of disaggregation	Not specified		
Local stakeholder involvement	Local consultant completes the questionnaire; assessment report prepared in consultation with government officials, market participants, investors, and issuers		
Use of Assessment	To assess countries' corporate governance framework and company practices		
Potential use in donor activity	Can be used at the national level		
Online links	http://www.worldbank.org/ifa/rosc_cg.html		

Country/Region	United Kingdom	Donor Agency	Department for International Development (DfID)
Assessment	Power Analysis		
Producer	Sida		
Method of Assessment	Secondary literature reviews & interviews		
Transparency of Methodology	Dependent on the country office/organization undertaking the analysis; Analysis driven by the conception of power that is assumed by the research team; analysis hampered by unobservable causal relationships between the variables identified		
Coverage Range	N.A.		
Indicators used	Not specified		
Levels of disaggregation	Dependent on the country office/organization undertaking the analysis		
Local stakeholder involvement	In-country expert teams chosen to undertake the analysis		
Use of Assessment	General suggestion that the methods could be used to "understand and analyze power relations at the macro level"		
Potential use in donor activity	Can be used at the national level		
Online links	http://www.sida.se	summary at http://www.odi.org.uk/rapid/tools/Toolkits/Policy_Impact/Power_analysis.html	

Country/Region	United Kingdom	Donor Agency	Department for International Development (DfID)
Assessment	Highly Indebted Poor Countries (HIPC) Assessments and Action Plans (AAPs)		
Producer	World Bank and IMF		
Method of Assessment	To be undertaken by the state government in collaboration with the World Bank & IMF		
Transparency of Methodology	16 key indicators & reasonable benchmarks to track public expenditure in HIPCs; indicators grouped into 3 groups: budget formulation, budget execution, & budget reporting		
Coverage Range	2001-2005 (annual); 24 countries		
Indicators used	Quantitative indicators used		
Levels of disaggregation	None		
Local stakeholder involvement	Not specified		
Use of Assessment	To assess "countries' public expenditure management systems against a selected number of performance indicators, in order to determine countries' capacity for tracking public spending with a particular focus on pro-poor spending"		
Potential use in donor activity	Can be used at the national level		
Online links	http://go.worldbank.org/QF5C2HEM90		

Country/Region	United Kingdom	Donor Agency	Department for International Development (DfID)
Assessment	Gender equality analyses		
Producer	Department for International Development (DfID)		
Method of Assessment	Gender audit score card on 4 themes: gender mainstreaming in country policies, sectoral programmes, activities aimed at empowering women, & Internal institutional responsibility & associated capacity building & budgetary resources for gender mainstreaming		
Transparency of Methodology	Briefings and focus groups meetings, documentation & background reviews, in-depth review including field trips, gendered cost-benefit analyses, self-assessment questionnaires of organizational staff		
Coverage Range	N.A.		
Indicators used	DfID gender sensitive indicators, PIM markers, Sector programme measurement indicators, Quantification of questionnaire results		
Levels of disaggregation	Gender mainstreaming strategy assessed at national policy and sectoral programme levels		
Local stakeholder involvement	None		
Use of Assessment	Gender analysis of country programmes in DfID's Malawi Office		
Potential use in donor activity	Can be used at the national level		
Online links	http://www.dfid.gov.uk/pubs/files/gender-audit-malawi2.pdf		

Country/Region	United Kingdom	Donor Agency	Department for International Development (DfID)
Assessment	Drivers of Change studies		
Producer	Department for International Development (DfID)		
Method of Assessment	Dependent on country-offices undertaking study--largely desk studies		
Transparency of Methodology	Identifying agents, structures & institutions & how their interactions can facilitate change; analysis at 6 levels: country, medium-term dynamics of change, external forces, link change & poverty reduction, operational implications, organisational incentives		
Coverage Range	Over 20 assessments carried out		
Indicators used	Not specified		
Levels of disaggregation	Not specified		
Local stakeholder involvement	Dependent on focus on country offices		
Use of Assessment	To analyze the distribution of power between the citizen and state, and power relationships among different stakeholders		
Potential use in donor activity	Can be used at the national level		
Online links	http://139.184.194.47/go/topic-guides/drivers-of-change		

Country/Region	United Kingdom	Donor Agency	Department for International Development (DfID)
Assessment	Country Governance Profiles		
Producer	African Development Bank (AfDB)		
Method of Assessment	To assess 5 themes: accountability, transparency, participation, legal & judicial systems,& combating corruption & money laundering; issue papers & desk studies based on existing sources, questionnaires administered to public & private sector officials,& CSOs		
Transparency of Methodology	Initial issues papers and desk study to identify main issues & data sources; questionnaires self-administered & as interview instrument		
Coverage Range	ADB member states		
Indicators used	Not specified		
Levels of disaggregation	None specified		
Local stakeholder involvement	In-country team that undertakes analysis of the questionnaires & other data collected could include in-country participants from specialized areas		
Use of Assessment	Used in Governance assessment		
Potential use in donor activity	Can be used at the national level		
Online links	http://www.afdb.org		

Country/Region	United Kingdom	Donor Agency	Department for International Development (DfID)
Assessment	Africa Peer Review Mechanism reports		
Producer	African Union		
Method of Assessment	Countries develop assessment reports (using self-administered questionnaires) & programme of action on 4 themes--Democracy & Political Governance, Economic Management, Corporate Governance,& Socio-economic Development		
Transparency of Methodology	Country-self-assessment reports are peer reviewed by Panel of Eminent Persons in consultation with local stakeholders; Country Review Team writes response report; progress in implementing programmes of action self-assessed in later years		
Coverage Range	27 countries		
Indicators used	None specified		
Levels of disaggregation	None specified		
Local stakeholder involvement	Peer review undertaken in consultation with local stakeholders		
Use of Assessment	To map democratic governance and economic development		
Potential use in donor activity	Can be used at the national level		
Online links	http://www.nepad.org/aprm/		

Country/Region	United Kingdom	Donor Agency	Department for International Development (DfID)
Assessment	Conflict		
Producer	Sida		
Method of Assessment	Assessment of structures, actors & conflict dynamics supplemented by a scenario analysis		
Transparency of Methodology	To be used at different stages: strategic planning, implementation and evaluation phases		
Coverage Range	N.A.		
Indicators used	None specified		
Levels of disaggregation	None specified		
Local stakeholder involvement	Workshops in consultation to garner wide-ranging perspectives of local actors suggested		
Use of Assessment	Suggested resource to map conflicts and their impact on political and economic governance		
Potential use in donor activity	Can be used at the national level		
Online links	http://www.sida.se		

Country/Region	United Kingdom	Donor Agency	Department for International Development (DfID)
Assessment	Country Governance Assessments		
Producer	Asian Development Bank (ADB)		
Method of Assessment	Assessment along 5 main themes: public administration, public financial management, legal & regulatory framework, judicial system, & civil society & governance; Framework allows for quantitative and/or qualitative methods		
Transparency of Methodology	No guidance on the process of, sources for or resources required for implementing the framework		
Coverage Range	12 Asian countries; assessments carried out between 1999 and 2006		
Indicators used	Country-dependent		
Levels of disaggregation	Country-dependent		
Local stakeholder involvement	None		
Use of Assessment	"assess the state of governance in a sector or institution in order to ensure project designs do not overlook key challenges, and brief managers on project design components and governance risks"		
Potential use in donor activity	Can be used at the national level		
Online links	http://www.adb.org/Governance/gov_cga.asp		

Country/Region	United Kingdom	Donor Agency	Department for International Development (DfID)
Assessment	Democratic Governance and		
Producer	Inter-American Development Bank (IADB)		
Method of Assessment	Based on IADB Governance Indicators Database of 400 indicators on business regulation, corruption, financial & fiscal system, labor flexibility & regulations, legal & political system, market openness & regulation, public sector, & social & economic environment		
Transparency of Methodology	Additional historical, social, economic, & other factors added to the DataGob indicators for a more dynamic governance assessment		
Coverage Range	194 countries; time period not specified		
Indicators used	IADB DataGob database of indicators		
Levels of disaggregation	None		
Local stakeholder involvement	None specified		
Use of Assessment	To assess political & economic governance and level of institutional development of the borrowing & member countries		
Potential use in donor activity	Can be used at the national level		
Online links	http://www.iadb.org/datagob/index.html		

Country/Region	United Kingdom	Donor Agency	Department for International Development (DfID)
Assessment	Fiduciary Risk		
Producer	Department for International Development (DfID)		
Method of Assessment	3 steps: Risk identification & evaluation, decision on which risks to be managed by adopting safeguards, assessment whether resultant risks are acceptable given expected benefits		
Transparency of Methodology	World Bank Country Financial Accountability Assessment (CFAA) & World Bank Country Procurement Assessment Review (CPAR) to supplement DfID assessments; Good practice principles & benchmarks set by DfID drawing on IMF's standards on Fiscal Transparency		
Coverage Range	N.A.		
Indicators used	Not specified		
Levels of disaggregation	None		
Local stakeholder involvement	Not specified		
Use of Assessment	To assess the extent of risks arising from the public financial management and accountability systems and their operation; assessment to be undertaken when considering provision of direct budget support to countries		
Potential use in donor activity	Can be used at the national level		
Online links	http://www.dfid.gov.uk/pubs/files/pfma-fiduciaryrisk.pdf		

Country/Region	United States of America (MCC)	Donor Agency	Millennium Challenge Corporation (MCC)
Assessment	MCA selection criteria		
Producer	Millennium Challenge Corporation		
Method of Assessment	Performance of countries assessed on predetermined criteria--Ruling Justly, Investing in People, Economic Freedom		
Transparency of Methodology	Countries that have not met MCC selection criteria can still receive aid under "threshold agreements" that are determined by MCC Board of Directors on the basis of "country's demonstrated commitment to improving their performance" on selection criteria		
Coverage Range	Annual		
Indicators used	16 quantitative indicators grouped in 3 categories & 2 supplemental indicators used; 1 qualitative supplemental indicator also used		
Levels of disaggregation	None		
Local stakeholder involvement	None		
Use of Assessment	To assess eligibility of countries to receive aid; Countries that wish to receive aid need to submit reports on how well they perform on the criteria		
Potential use in donor activity	Can be used at the national level		
Online links	http://www.mcc.gov/		

Country/Region	United States of America (USAID)	Donor Agency	United States Agency for International Development (USAID)
Assessment	Decentralization and Democratic Local Governance Assessment		
Producer	USAID		
Method of Assessment	Assessment of 2 fundamental concepts: Political Will & Local Governance Tradition; Mapping of countries into four categories within a 2x2 matrix of the 2 concepts as countries with strong or weak political will and strong or weak local governance tradition		
Transparency of Methodology	Political Will (assessed on 11 criteria) & Local Governance Tradition (assessed on 18 criteria) as strong, moderate, or weak;		
Coverage Range	Programme countries		
Indicators used	None specified		
Levels of disaggregation	None specified		
Local stakeholder involvement	Assessment to be undertaken by country offices		
Use of Assessment	To guide country programming in decentralization and local governance		
Potential use in donor activity	Can be used at the national and programme levels		
Online links	http://www.usaid.gov/our_work/democracy_and_governance/publications/pdfs/pnach300.pdf		

Country/Region	United States of America (USAID)	Donor Agency	United States Agency for International Development (USAID)
Assessment	Assessment of Role of Money in Politics		
Producer	USAID		
Method of Assessment	3 step analysis: Nature & extent of the problem--uneven playing field, unequal access to office, co-opted politicians, tainted politics; Identifying key actors--Election Commissions, civil society, media, politicians; Defining legal framework & actual practices		
Transparency of Methodology			
Coverage Range	Programme countries		
Indicators used	None specified		
Levels of disaggregation	None specified		
Local stakeholder involvement	Assessment to be undertaken by country offices		
Use of Assessment	To guide country programming in strengthening transparency of the role of money in politics		
Potential use in donor activity	Can be used at the national, sectoral and programme levels		
Online links	http://www.usaid.gov/our_work/democracy_and_governance/publications/pdfs/pnacr223.pdf		

Country/Region	United States of America (USAID)	Donor Agency	United States Agency for International Development (USAID)
Assessment	Strategic Assessment Framework		
Producer	USAID		
Method of Assessment	4 step approach of analysis: of political game that characterizes the country & problems relating to transition to or consolidation of democracy; of actors, interests, resources, & strategies; of institutional arenas; of interests & resources of donors		
Transparency of Methodology	Political game elements--consensus, rule of law, competition, inclusion & good governance; Institutional arenas -- legal, competitive (elections), governance, civil society; these two steps contribute to 4 strategic objectives		
Coverage Range	N.A.		
Indicators used	Indicators to measure 4 strategic objectives: Rule of Law & respect for Human Rights, Genuine & Competitive Political Processes, and Development of politically active Civil Society, Transparent & Accountable Government Institutions		
Levels of disaggregation	Not specified		
Local stakeholder involvement	Not specified		
Use of Assessment	To guide programming throughout the duration of the plan		
Potential use in donor activity	Can be used at the national level		
Online links	http://www.usaid.gov/our_work/democracy_and_governance/publications/pdfs/pnach305.pdf		

Country/Region	United States of America (USAID)	Donor Agency	United States Agency for International Development (USAID)
Assessment	Performance Monitoring Framework		
Producer	USAID		
Method of Assessment	Strategic planning: Defining strategic objectives of USAID & intermediate results that programmes need to achieve; developing and selecting indicators; using indicators: Monitoring results, managing for results, reporting results		
Transparency of Methodology	Indicator sources are largely national administrative agencies, international organizations, published documents, & surveys of opinions & behaviour		
Coverage Range	N.A.		
Indicators used	Indicators included in the "USAID Handbook of Democracy and Governance Program Indicators"		
Levels of disaggregation	Dependent on the indicators used and the level of programme activity that is being assessed		
Local stakeholder involvement	Not specified		
Use of Assessment	To help strategic objective teams responsible for program management develop indicators that are useful for management decisions		
Potential use in donor activity	Can be used at the national and sectoral levels		
Online links	http://www.usaid.gov/our_work/democracy_and_governance/publications/pdfs/pnacc390.pdf		

IV. Conclusions

Absence of Harmonisation

For the countries covered thus far, it is clear that there is very little harmonisation in the use of governance assessments. There are differences across the definition of governance (in particular different emphases on and elision between its economic and political dimensions), the number of assessments and indicators that are used, the use of qualitative and quantitative data, and how the assessments are used for donor activity. This last difference is significant. For country level assessments, some donors use assessments as aid 'litmus' tests, or ways in which to judge the eligibility of a country to receive aid, while others use assessments to identify areas of concern and in need of assistance. For sector wide, programme, or project assessments, there are naturally significant differences in the use of different indicators.

Both the United States and the World Bank use governance assessments to pass judgement on the performance of a country and then allocate aid accordingly. For the Millennium Challenge Account, a range of indicators is used to create a performance profile across the following three policy areas: (1) governing justly, (2) investing in people, and (3) promoting economic freedom. To qualify as a 'better performer' a country needs to score above the median on half of the indicators in each the three policy areas. The World Bank's Country Policy Institutional Assessment (CPIA) aggregates performance across different clusters of indicators against which allocation decisions are then made.

In contrast, DFID's Country Governance Assessment is part of an overall Country Assistance Plan, as well as subsequent annual reviews conducted by DFID headquarters and Country Offices. DFID has three main aims in its relationships with partner countries: (1) reducing poverty and achieving the Millennium Development Goals (MDGs), (2) respecting human rights and other international obligation, (3) strengthening financial management and accountability, and reducing the risk of funds being misused through weak administration and corruption. Governance assessment explicitly addresses the second and third aims, while seeing governance as a means to reducing poverty. Aid is not suspended unless the partner country wilfully engages in activities that undermine any of the three aims.

Despite the difference in use of assessments, the need for harmonisation appears nonetheless very strong, deriving from the state commitments to the 2005 Paris Principles as well as from the need for partner countries to have consistency in the application of assessments.

The Way Forward

There is significant research that needs to be conducted to understand better this whole area of policy making and the use of governance assessments. Academic analysis on the connections between governance and economic performance has yielded a large number of ways to measure governance. But it appears as if the supply of such measures has created its own demand and has had an impact on the ways in which donors define governance and implement policy accordingly. There has thus been a proliferation of governance assessment frameworks without an attempt to harmonise this activity as laid out in the Paris Declaration.

There is now a pressing need and significant challenge to develop more harmonisation across donors in their definitions and use of governance in aid

allocation. A precedent has been set with the UN Common Understanding on Rights Based Approaches to Development, which could be complemented by a similar initiative in the area of governance. The Paris Declaration clearly commits donors to greater harmonisation and for enhancing local ownership in governance assessments. It is unclear at present how such local ownership is being promoted and guaranteed, where several existing approaches found in the survey leave room for stakeholder involvement through peer review, combined drafting of assessments, and other forms of involvement.

More research is needed on how the UN common understanding on human rights based approaches has been achieved and whether it can be emulated for work in the area of governance. Beyond a general agreement, the parameters of such a common understanding to the promotion of good governance should include greater agreement on methodology and implementation, ranging from standardised definitions, criteria for measurement, sources of available data, and strategies to increase local ownership over the process of governance assessment.

More work is needed on evaluating the impact of so-called 'punitive' approaches to aid allocation that set tangible thresholds of achievement versus those that see governance assessments as providing a performance profile that identifies areas in need of support. Research should be conducted on whether the suspension of aid harms a partner country in time of greatest need, or provides an incentive for reform that then attracts additional aid in the future.

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APPENDIX I: LIST OF COUNTRIES AND DONOR AGENCIES

OECD members

Australia
Austria
Belgium**
Canada
Czech Republic**
Denmark
Finland
France**
Germany**
Greece**
Hungary**
Iceland**
Ireland**
Italy*
Japan**
Korea*
Luxembourg**
Mexico*
New Zealand**
Norway
Poland**
Portugal*
Slovak Republic*
Spain
Sweden
Switzerland
The Netherlands
Turkey*
United Kingdom
United States

Regions/International Financial Institutions (IFIs)

European Union
Latin America
IMF
World Bank
Africa
Asia

*No information was available.

**No information on assessments and indicators was available.

APPENDIX II: CENTRE FOR DEMOCRATIC GOVERNANCE

The Centre for Democratic Governance is a unit within the University of Essex's Department of Government. The department is one of the largest and most prestigious in Europe with 30 full-time staff, around 300 undergraduate students, 60-70 MA students and as many as 100 doctoral students. It is one of only three departments in the UK given 'six star' status for the quality of its research and it has been judged to be 'outstanding by international standards' in official reviews.

The Centre for Democratic Governance draws on the international research expertise of the Department of Government and has two main aims:

- To conduct academic research on international democratic practice and democracy assessment
- To provide training and consultancy services to UK and international agencies, foreign governments and international democracy promoting NGOs

The Centre has six main areas of research and activity:

- Democratic institutions – including elections, electoral systems and political parties.
- Democracy and governance – particularly open competition, inclusiveness, equality and participation.
- Democracy and development – including governance, poverty reduction, human rights, foreign aid and conditionality.
- Democracy and threats – covering international conflict, domestic conflict, terrorism and the environment.
- Democracy and people – the role of civil society and social movements in the democratic process.
- Democratic constitutionalism – covering institutional design, human rights, and mechanisms for vertical and horizontal accountability

APPENDIX III: NOTES ON AUTHORS

Dr Todd Landman (Co Director) is a Reader in the Department of Government and has published numerous scholarly books and articles in the areas of democracy, development, and human rights. He was the lead investigator in 2003 for a Eurostat project 'Mapping the Main International Initiatives in Developing Indicators for Democracy, Good Governance, and Human Rights', which produced a 61 page report and a complementary data base of 178 initiatives. He provided comments and content for the UNDP Guide to Governance Indicators, wrote the UNDP *Indicators for Human Rights-Based Approaches to Development in UNDP Programming*, provided technical support and content for the Mongolian Ministry of Foreign Affairs as part of the Follow-Up Activities of the Fifth International Conference for New and Restored Democracies (ICNRD-5), and wrote two of the 14 background papers for ICNRD-6 in Doha in 2006. He is currently the project leader for International IDEA's Handbook of Democracy Assessment, and is providing technical advice and substantive content for work on governance and human rights assessment at DFID and CIDA. He also worked for a number of years with InWent providing lectures and follow up discussion for capacity building in the area of measuring democracy, good governance, and human rights.

James Bewsher (Co-Director) is a board member of the Westminster Foundation for Democracy, which is funded by the UK Foreign and Commonwealth Office. He has advised on democratic development and facilitated a number of training programmes in twenty countries in Eastern Europe, Africa, Asia and the Middle East. Before joining the Centre he spent many years advising public bodies and government departments on policy and communications matters, most recently in the Prime Minister's Delivery Unit and the Cabinet Office.

Edzia Carvalho (BA Carmel College for Women, Goa, MA Mumbai University, MA University of Essex and recipient of best student award) is a PhD candidate in the Department of Government University of Essex. Her PhD research focuses on the relationship between democratic performance, health policy and infant mortality in India. Before coming to Essex, Ms. Carvalho worked as a Research Assistant for Lokniti, A Programme of the Centre for the Study of Developing Societies (CSDS) in Delhi (May 2004-August 2005) (see www.lokniti.org). While at Essex she has been a research officer on several projects, including work on human rights and social exclusion indicators for DFID, the State of Democracy Assessment of Central Asia, and revision of the *Handbook on Democracy Assessment* for International IDEA. She is co-author with Dr Landman of a book entitled *Measuring Human Rights* (Routledge, forthcoming).