



**Summary review of the Malawi Growth and  
Development Strategy (MGDS) Indicators  
for Sub-Theme 5: Governance**

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Development and Planning and UNDP Malawi**

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## Introduction

This background paper aims to inform discussions on the establishment of a system to monitor the implementation of the **governance** goals and strategies as articulated in Malawi's national development plan- the Malawi Growth and Development Strategy (MGDS) 2006/7 – 2010/11). Governance is one of the themes addressed by the plan and is recognised as the enabler for the successful implementation of all other themes.

There are seven sub-themes within governance

1. Macroeconomic Stability
2. Public Sector Management
  - a. Public Policy Formulation
  - b. Public Expenditure
  - c. Corruption
3. Decentralization
4. Justice and rule of law
5. Security
6. Corporate Governance
7. Human Rights

The MGDS sets out the various sub-thematic components for each theme, the long terms goals, the medium term expected outcomes and sets of activities for each sub-theme. A monitoring and evaluation framework is set out in the MGDS covering:

- Key indicators
- Baseline 2005
- Target for 2011
- Main responsible party for indicator collection

As the governance goals and strategies have already been defined in the MGDS, this paper limits its focus to the indicators and data collection considerations suggested for monitoring those governance goals and strategies.

The quest for finding common indicators is part of forging consensus among partners. An outsider looking at a set of indicators may ask: who decided that these are the most important ones? Sharing ensures greater agreement and ownership among all partners. Without such cooperation, national authorities will use one set of indicators, and other development partners (national non-state actors as well as outside development partners) yet another – putting a significant burden on national authorities and organisations to satisfy.

**The aim of the paper is to inform a workshop to be held in December of relevant stakeholders i.e. those state and non-state actors that have a stake in monitoring governance performance and who might also be responsible for contributing to**

**the collection of indicators, on an appropriate and feasible monitoring system for the governance goals of the MGDS.**

The paper is divided into three parts:

- Part I sets out some general considerations for selecting indicators.
- Part II provides an analysis of the MGDS governance indicators. It is not the purpose of the paper to critique each indicator comprehensively but to provide initial observations on the strength or weakness of selected indicators under the different sub-themes.
- Part III provides an overview of selected governance indicator systems in use in Malawi with special attention given to the Africa Peer Review Mechanism governance indicators, the Joint Performance Assessment Framework for CABs and the Millennium Challenge Account indicators. The purpose of this section is to assist in the harmonisation of governance indicators drawn from different frameworks.

A key aim of the workshop will be to agree on a **future work programme** that would be put into place immediately following the workshop that details the steps and activities needed to establish a comprehensive and technically sound M&E system for monitoring the governance goals of the MGDS.

A key element of such a work programme is likely to include the establishment of cluster – or **sectoral task groups** representing the seven governance sub-themes which includes relevant line ministries and agencies, civil society organisations and development actors (for example donors) to recommend/review:

1. The appropriateness of the indicators in terms of being able to measure performance against the goals;
2. The existence of reliable, accurate and timely data to be able to monitor the indicator;
3. The need for rationalisation of indicators currently collected in Malawi for each sub-theme;
4. New indicators that are needed with proposed data collection requirements for the new indicators

Critical indicator considerations to keep in mind for each sector include:

- **The importance of establishing a balanced basket of indicators for each governance sub-theme**
- **The importance of disaggregation**
- **The need to avoid perverse incentives**
- **The need to complement and supplement administrative records/data with public survey data**

Indicator selection is not a once-off event, but rather an ongoing process with both technical and political dimensions. Since key policy decisions will be affected by changes in indicator values, it is extremely important that any system of governance indicators is built on strong technical foundations and commands support among a broad range of domestic and external stakeholders. Building such foundations and securing such support requires considerable time and effort. The best way to ensure that the technical and political dimensions of indicator selection are closely integrated is to develop a detailed work programme.

The first step in such a programme is to undertake three tasks:

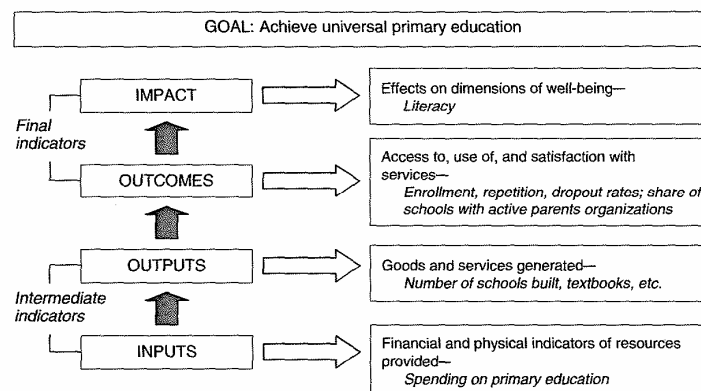
1. Establish an institutional framework: this includes a clear specification of who is responsible for doing what during the process of indicator selection. If new bodies, such as sectoral task groups, are set up, their terms of reference (including reporting responsibilities) must be made clear.
2. Agree a timetable: the sequence of activities required to put in place a viable set of governance indicators is likely to stretch over several months. It will be helpful for all concerned to draw up a timetable with deadlines for the completion of particular tasks. Ideally, this timetable would be merely the first stage in a longer term planning exercise covering several years which would identify second generation governance indicators and ensure that the evolution of the monitoring system was consistent with the country's National Strategy for the Development of Statistics (NSDS).
3. Set a budget: once the activities required to select the governance indicators have been identified and a timetable agreed, a budget can be prepared and approved. It is essential to do this at the start of the process in order to ensure financial viability of the work programme.

# Part I: General indicator considerations<sup>1</sup>

## Types of indicators

The indicators included in the governance component of the MGDS are to a large extent **outcome and impact indicators**, though some of the existing indicators are inputs or outputs. Although the main objective of a governance monitoring system is to track progress in governance outcomes and impacts, both final and intermediate indicators (input and output) should also be tracked. Monitoring final indicators helps better to judge progress toward the goals. A quick overview of the kinds of indicators is illustrated in the Figure below.

Figure 1: Types of Indicators



Source: A Sourcebook for Poverty Reduction Strategies: Chapter 3 Monitoring and Evaluation', Giovanna Prennushi, Gloria Rubio, Kalandhi Subbarao, World Bank 2002

Outcome indicators are the best to track however, there is a justifiable tendency to rely on output indicators because:

- Outcomes are not always fully under the control of the agency that provides them e.g.; number schools built (output) vs. number children going to the schools (outcome) and are the result of several factors, many of which are outside the control of policymakers.
- Outcome/impact indicators generally change slowly over time, while output/input indicators change more rapidly, giving an indicator, if not on what is happening then at least what is happening with some of its determinants.
- Outcome/impact indicators can be more difficult and more costly to collect.

<sup>1</sup> Part I of this paper is informed by three main reference sources: (i) *A Sourcebook for Poverty Reduction Strategies: Chapter 3 'Monitoring and Evaluation'*, Giovanna Prennushi, Gloria Rubio, Kalandhi Subbarao, World Bank 2002; (ii) *Measuring Progress Towards Safety and Justice: A Global Guide to the Design of Performance Indicators Across the Justice Sector*, Vera Institute of Justice (November 2003), (iii) *Results Based Management (RBM) in UNDP: Selecting Indicators*, UNDP (June 2002) and *Handbook of Democracy and Governance Program Indicators*, USAID (1998).

### Criteria for a 'good' indicator

Set out below, is a checklist of key questions to assess the quality of an indicator:

- Is the indicator appropriate for the result? Does the measurement tool fit the task
- Is the indicator direct? Does it measure the result as stated and at the correct level
- Is the indicator cost-effective? The costs of measurement should be proportional to the benefits
- Is the indicator based on reliable and valid data?
- Is the indicator operation? Is it clear to data collectors what data is needed and how to collect it?
- Is the indicator objective? Anyone reviewing the data should reach the same conclusion about progress.

### Observational criteria

Along with a commitment to actually monitor and use indicators, their effectiveness requires a clear idea about what will be observed and how to do so. This underlies the observational criteria associated with an indicator. For example, it is important to identify the essential observational criteria, as in the following examples:

- Institution X is operating more **effectively/efficiently**;
- Measurable increase in client **satisfaction** with ministry Y's services.

For these statements to be valid as indicators, **there must be a definition of how one will measure effectiveness, integration or satisfaction** – and how data are to be identified in actual practice. An indicator lacking clarity about what and where to observe is meaningless. We need to specify exactly what should count and how it should be counted, with the exception of existing standards that are commonly known.

### Balanced baskets of indicators

Outcomes should be measured with balanced baskets of indicators as single indicators rarely measure an outcome well. Creating a basket of measures, each with different limitations can give greater confidence in the results. But at the same time, a basket should not be too big: between three to five well-chosen indicators can provide a good degree of validity and ease of interpretation. Important guiding principles for putting together such a basket include:

1. Use multiple outcome indicators for a single sub-area/institution of justice, such as the courts
2. Ensure outcome indicators cover different sub-areas/institutions of justice, such as the police, the courts and the prison service.
3. Build simple causal chains of input, output and outcome indicators for a single sub-area/institution of justice ]

A well <b>balanced</b> basket of indicators to measure ‘equal access to justice’	An <b>unbalanced</b> basket of indicators to measure ‘equal access to justice’
<p><b>Indicator 1:</b> Percentage of citizens who say that they have access to court systems to resolve disputes, disaggregated by gender, ethnicity, region, and level of urbanization</p>	<p><b>Indicator 1:</b> Number of new courts opened in rural and urban areas with concentrations of marginalized populations</p>
<p><b>Indicator 2:</b> Percentage of accused persons legally represented at one or more court appearances in their cases, disaggregated as above</p>	<p><b>Indicator 2:</b> Number of courts per 100,000 residents</p>
<p><b>Indicator 3:</b> Percentage of citizens who say that the police will respond to them without requiring a bribe if called to resolve a dispute, disaggregated as above</p>	<p><b>Indicator 3:</b> Percentage of citizens who say that they have access to court systems to resolve disputes</p>
<p><b>Indicator 4:</b> Ratio of prosecution caseloads in courts serving wealthier communities to those in courts serving marginalized communities</p>	<p><b>Indicator 4:</b> Percentage of accused not represented at trial</p>
<p>Two of the indicators in this second version of the basket are adapted from the first version but are disaggregated to reveal issues of inequality. The third and fourth add balance by extending the group of indicators to apply to police and prosecution services.</p>	<p>The first two indicators are not particularly powerful: the first indicator in the basket measures the activity of a court-building program, but it does not tell us whether the result of that program is that marginalized populations are coming closer to having their fair share of courts. The second indicator tells us nothing about the equality of the distribution of courts. The third indicator also tells us nothing about equality, but because it is based on a survey, it could easily be adjusted to reveal that information. Finally, the basket as a whole is unbalanced because three indicators relate to the courts, and one to legal aid.</p>

### Perverse incentives

When constructing indicators, it is important to be aware of, and to try and avoid creating perverse incentives so that the indicators promote and reinforce positive attitudes that move systems and actions closer to the desired outcome. This requires asking two questions when selecting indicators:

- Is it possible to identify the ways in which the introduction of the indicators may change the incentives guiding the behaviour of officials or citizens?
- Is it possible to minimise any danger that the indicators will create perverse incentives that can undermine the aims?

### Data considerations for indicator selection

Choice of indicators is dependent on the types of data that are available as well as on what can be feasibly monitored given resource and capacity constraints. **The process of selecting indicators should start from an analysis of what is available and what is feasible.** Indicators that are not yet available should be included in the monitoring system only if it is realistic to set up a mechanism to collect and analyze data on such indicators.

Sources and tools for data collection include, among many others:

- Administrative records of client service;
- Statistical surveys and censuses;
- Awareness/attitude questionnaires;
- Expert panels, trained observers;
- Focus groups and key informant interviews.

Survey data is particularly important for monitoring the equality and effectiveness of governance reforms. In contrast to administrative data, survey data can go beyond the reporting of events and conditions to capture the experience, perceptions and attitudes of individuals who are providing or receiving public services. **Surveys should be used to supplement data available from administrative sources.** Surveys come in many forms from large representative national surveys of public opinion to less expensive surveys of a small number of people.

### **Disaggregation**

Disaggregating data across the indicators for the MGDS greatly enhances their ability to register improvements in the equality of governance. Most data used for indicators reflect the experiences of the general population so it is important to disaggregate that data according to income, gender, rural vs. urban (capital city vs. other cities) and relevant socially defined groups: ethnic, tribal, religious.

Disaggregating administrative data is much more difficult because the forms used to collect the data typically use categories that are too broad for useful analysis. Proxies may be necessary to disaggregate data, for example neighbourhood may be a good proxy for income. Survey data is relatively easy to disaggregate by including appropriate questions in the survey from the start.

However, although administrative records in certain policy areas are often of poor quality, they are not subject to sampling error. Survey data are subject to sampling error (as well as to multiple sources of non-sampling error) which means that in order to obtain reliable estimates (meaning estimates with a small confidence interval) at a disaggregated level the sample size needs to be very large. Drawing large samples is expensive and unfortunately non-sampling error tends to increase as sampling error decreases.

### **Frequency of data collection**

How frequent an indicator needs to be monitored depends on careful assessment of the trade off between the desirability of recent data and the cost of collection. Input and output indicators are often tracked annually. Data on some outcome indicators should also be available annually. Data on impacts are usually not available annually, both because it is costly to collect and analyse household and participatory data and impact indicators do not usually change rapidly.

## **Part II: Assessment of MGDS governance indicators**

This part of the paper assesses the governance indicators included in the MGDS using the criteria for a 'good' indicator outlined in Part one. This paper provides some initial comments on the existing indicators and the workshop will need to review carefully the indicators against the criteria for a good indicator in Part I as well as against other important considerations:

- ü **The importance of establishing a balanced basket of indicators**
- ü **The importance of disaggregation**
- ü **The need to avoid perverse incentives**
- ü **The need to complement and supplement administrative records with survey data**

The MGDS identifies 20 indicators distributed across seven governance areas. The relevant section of Annex 5 is reproduced as Table 1 in the appendix. The sub-themes for the governance part of the MGDS are:

1. Macroeconomic Stability
2. Public Sector Management/Public Policy Formulation
  - a. Public Expenditure
  - b. Corruption
3. Decentralization
4. Justice and rule of law
5. Security
6. Corporate Governance
7. Human Rights

**Overall, the MGDS M&E framework for governance suffers from three principal problems:**

1. For many sub-themes no indicators have been defined or suggested for example, human rights, public policy formulation /public sector management and justice and the rule of law. This suggests that it is very much a work in progress with much work to be done in agreeing and setting indicators.
2. Many of the sub-theme indicators do not adopt a basket approach or if there is a basket of indicators, such baskets are unbalanced and do not adequately measure the expected goals and outcomes for the sub theme.
3. Most of the indicators are highly aggregated and do not explicitly call for disaggregated data.

## **1. Macro-economic stability**

It is unclear why the indicator matrix for Governance should include any measures of macro-economic stability. Such measures are more appropriately considered either in Chapter 3 of the MGDS (Macroeconomic Framework), the first section of which discusses macro-economic stability, or in Chapter 4 (MGDS Growth and Development Framework) which raises the question of whether a target growth rate of (at least) 6% pa can be sustained without jeopardising macro-economic stability.

Regardless of where any measures of macro-economic stability should be located in the MGDS, several of the indicators proposed under Governance need further clarification:

- **Inflation** (understood as the annual average change in the general level of prices) is a standard outcome indicator of macro-economic stability with lower inflation indicating higher stability. Note that if the poorest households have a significantly different expenditure pattern from the average household and/or pay different prices, then the official inflation rate may not accurately reflect macro-economic (in)stability experienced by the poorest households.
- **Domestic debt stock as a % of GDP:** there is an issue of whether this indicator should be adjusted for seasonal and/or cyclical variation.
- **Fiscal deficit as a % of GDP:** the fiscal deficit may be defined in several different ways. The primary deficit excludes interest payments on the public debt, while the secondary deficit includes such payments. Assuming that it is the primary deficit that is being measured, it might be argued that this indicator should be adjusted for cyclical variation.
- **Interest rates:** select a single real interest rate, namely nominal Bank rate (= the rate at which the Central Bank lends to commercial banks) adjusted for inflation.
- **% of national budget earmarked/effectively spent on Development:** this assumes that it is possible to distinguish clearly between those public expenditures which promote development (how defined?) and those which do not. Such a distinction is necessarily arbitrary and no criteria are provided in Annex 5 or in the text of the MGDS to apply it.

## **2. Public sector management/public policy formulation (page 88 & page 124)**

The public sector management sub-theme includes three important components: public policy formulation, public expenditure and corruption. However even though specific indicators are outlined in the MGDS for corruption, only two explicit indicators included in the MGDS are suggested to cover these areas:

- **Law enforcement (perception):** no specific indicator(s) are defined.
- **Political will and mindset (fulfilment of plan/policies in place):** no specific indicator(s) are defined.

Indicators will need to be formulated that relate to the medium term outcomes such as improved performance of the civil service in terms of capacities to formulate, implement and monitor public policy and the management of the MGDS.

### **2a. Public policy formulation**

There are no indicators suggested indicators for this explicit sub-theme in the Governance part of the MGDS. The long term goals and medium term expected outcomes focus on improving the free flow of information between citizens and the government to ensure that the public are well informed to participate in national development.

Indicators will therefore need to be constructed that relate to the specific goals and activities including on:

- *Citizens access to information:*
  - Freedom of information legislation
  - Strengthened government information infrastructure including records management systems
  - Media freedom, diversity and pluralism
- *Parliament engagement in national development processes:*
  - Strengthened parliamentary committees
- *Free and fair elections:*
  - Registration processes
  - Equal access to the media

### **2b. Public expenditure management**

There are no specific indicators attached to measure the medium term expected outcomes for this sub-theme that relate to improved budget implementation. Indicators will therefore need to be formulated/applied on such areas as:

- Minimising extra budgetary expenditures
- Adherence to the Public Finance Management Act and the Public Procurement

Act

- Replacement of the CODA with the EPCOR system

## **2c. Corruption**

There are two indicators for corruption which is a key area of governance and is the subject of several reform programmes.

- **% of reported corruption cases effectively prosecuted:** this is a useful indicator, but note two points.
  - i. It is unclear whether this indicator covers only those cases of corruption which are prosecuted in the courts. There may be other reported instances of corruption where those involved are punished by applying administrative sanctions, e.g. demotion/failure to promote, being fired, etc.
  - ii. Under certain circumstances, changes in the value of this index may be ambiguous. This is not an argument against inclusion of this indicator, but rather a plea that care should be taken in drawing conclusions from changes in its value. In general, it would be reasonable to interpret a rise in this index as a favourable development, i.e. as evidence that the government is implementing a vigorous anti-corruption policy. However, once the public become convinced that the government is seriously committed to reducing corruption (as evinced by a rise in the index), then it is quite possible that the number of reported incidents of corruption rises more rapidly than the government's capacity to prosecute them. This leads to a fall in the index which may nevertheless be interpreted as a favourable development. The government's anti-corruption campaign has persuaded the public no longer to accept corruption as an immutable part of daily life, so that citizens are more willing to denounce it, thereby revealing its true extent. *For this reason, it may be helpful to include the absolute number of reported corruption cases effectively prosecuted per year as a complementary indicator.*
- **Improved investor confidence:** the indicator should be 'investor confidence' and an increase in the indicator may be interpreted as an 'improvement'. However, investor confidence is not a measure of corruption, although it may be affected by perceptions of corruption among the business community.

### **3. Decentralisation**

The key references for the decentralisation goals in the MGDS are the Decentralisation Policy (1998) and the Local Government Act (1998). The medium term outcomes in the MGDS are devolution of development planning to local assemblies, improved community participation in development planning, clarity of roles between institutional actors and the establishment of an M&E system of local governance to ensure greater transparency and accountability.

- **Number of sectors fully devolved:** the term 'fully devolved' needs to be defined clearly using operational criteria in order for this indicator to be measured.
- **Community participation in decision-making:** apart from suggesting that this indicator is qualitative and will be derived from the subjective perceptions of respondents, it is unclear how it will be measured. Will it be based on answers to a single question or several questions covering different aspects of participation? If the latter, how will the answers to the different questions be weighted to construct the indicator?

### **4. Justice/Rule of Law**

This is a key area of governance, particularly for poor and vulnerable groups. The key challenges identified in the MGDS include a shortage of legal experts, limited capacity to train legal personnel and the high costs of legal services. Explicit goals in the MGDS for this sub-theme include: increased public confidence in the judicial system, improved ability of the private sector to settle disputes in reasonable time and cost, provision of more court centres including the introduction of traditional courts, aligning laws with the constitutions and developing an **informal legal system** that is accessible, efficient and equitable.

Some reactions are provided to the indicators that have been suggested for this sub-theme below. It is important to note that no indicators have been suggested that specifically relate to the informal justice system and this will need to be addressed as part of the work programme that follows the workshop.

- **Prosecution rates:** this is a useful indicator which raises three issues. Firstly, a prosecution rate may be defined in different ways depending on the choice of denominator. The number of prosecutions in court can be expressed as a percentage of (i) the number of offences reported to the police; (ii) the number of arrests made, or (iii) the number of cases where suspects are charged. No information is given as to which denominator will be used. Secondly, prosecution rates (however defined) vary across different types of offence and this variation is hidden when an average value is used. Certain types of offence may be of greater concern to the government than others, so some

disaggregation of this indicator may be appropriate. Indeed, the next indicator is an example of just such a disaggregation. Thirdly, a tougher policy towards crime leading to a rise in prosecution rates is of little value if the courts fail to convict the guilty owing to corrupt judges, incompetent state prosecutors or other weaknesses in legal processes. For this reason, it would be useful to track conviction rates as well as prosecution rates.

- **% of reported human rights violations cases effectively prosecuted:** the same methodological points about prosecution rates raised above are relevant here.
- **Access to justice for citizens:** apart from suggesting that this indicator is qualitative, it is unclear how it will be measured. No access indicator(s) are defined.

## 5. Security

This is an important governance area particularly of interest to poor and vulnerable groups.

- **Crime detection rates:** it is unclear how this is defined, but assume that it is (convictions/reported offences) %. Changes in the value of this indicator may be ambiguous, at least for certain types of crime. In general, it would be reasonable to interpret a rise in this index as a favourable development, ie. as evidence that the criminal justice system has become more effective. However, a major problem is that victims of certain crimes are unwilling or unable to report the offence. This is particularly the case for sexual offences against women. If the detection rate for rape rises as a result of the police and the courts pursuing such cases more sensitively and vigorously, then this may encourage more women to report such offences not only in the future, but also from the past. In this case, the rape detection rate may fall in the short run as pressure on the criminal justice system leads to a lower proportion of reported cases being pursued in court, and/or to a rise in the number of trials held where the prosecution evidence is weak. Nevertheless, the fact that more victims of crime are reporting these offences to the police is a positive development.
- **Police/population ratio:** this is a common output indicator of policing density. An increase in its value is considered desirable. Note that a rise in this indicator may well be accompanied by an apparently perverse increase in reported crimes. This is because a rise in policing density reduces the costs (in travel and waiting time) and increases the expected benefits to crime victims of reporting an offence.
- **% of villages with operational community policing units:** this is a better indicator than policing density as it purports to measure effective (as opposed to on-paper) police coverage of the (rural) population. The criteria for considering a community policing unit as 'operational' should be spelt out.

- **Warder/prisoners ratio:** this is a useful output indicator of the prison system as a whole. One weakness is that it fails to reveal the variation in warder density across the prison population. If the government plans to increase warder density in order to reduce the worst abuses present in the prison system, such as keeping prisoners in their cells for over 20 hours/day, then this indicator should be complemented by a measure such as ‘the % of prisoners in prisons with a warder density above (say) 1:30’. The combination of the two indicators would provide an incentive for government to increase the average warder/prisoners ratio in ways which would benefit the most deprived prisoners. This could be either by assigning additional resources made available to the prison system to those prisons with the lowest warder density, or by closing lowest warder density prisons and moving these prisoners to highest density prisons which would receive the additional resources.

## **6. Corporate governance**

There is only one indicator for this sub-theme the ‘**number of public officers trained**’. No explanation is given of who these public officers are, of what their training consists and why having more trained public officers will improve corporate governance. Improving corporate governance is about strengthening the accountability mechanisms of managers (particularly senior executives) to the owners of the firm, i.e. the share holders.

## **7. Human rights**

The text of the MGDS lists human rights as sub-theme 7 of the section on governance with specific expected outcomes and activities related to raising awareness of human rights amongst vulnerable groups, civic education in places prone to human rights abuses, ensuring human rights are included in formal school curricula, undertaking training in advocacy for CSOs working with vulnerable groups.

**However, no indicators are included for human rights in Annex 5.**

## Part III: Review of other governance indicator systems used in Malawi

This part of the paper reviews three other indicator systems used to monitor public sector performance in Malawi: (i) the Performance Assessment Framework (PAF) agreed by the Government of Malawi and donors belonging to the budget support group (CABS); (ii) indicators proposed by the Government of Malawi to monitor the Millennium Challenge Corporation Threshold Country Plan (MCCTCP), and (iii) indicators suggested by the African Peer Review mechanism (APRM).

### The Performance Assessment Framework

The Performance Assessment Framework (August 2006) contains indicators for Public Finance Management, Social Sectors and Governance. These are reproduced as Table 2, but without the Social Sector indicators. Public Finance Management (PFM) is considered by the GoM as an element of governance (see MGDS), but since the PFM indicators lie outside UNDP's area of expertise, they are not included in this review. This section (3.1) focuses on 10 indicators listed under Governance plus one indicator of female decision-makers in the public sector which is currently included under Social Sectors, but seems more properly treated as a governance indicator.

Indicator	Comment
<b>MGDS implementation</b>	This is not an indicator but a policy action.
<b>Government compliance with the Constitution and rule of law</b>	This is not an indicator but a political objective. The baseline and targets (for 2007 and 2008) shown for this 'indicator' are actually policy actions to be undertaken by particular dates.
<b>Elections judged free and fair by local civil society and international observers</b>	Performance in this area is to be measured by the press freedom status assigned to the country by Freedom House (FH) and by the implementation of certain policy actions. It is unclear why the FH press freedom status is used rather than the FH political rights score. The latter is constructed from the answers to 53 questions of which 25 (47%) relate specifically to the electoral process.
<b>Average number of months for corruption cases to be completed</b>	This indicator is clearly defined and a source for the data is given. It is unclear how the targets for 2006 and 2007 were set and whether they are feasible.
<b>% of corruption cases completed within 12 months</b>	This indicator is clearly defined and a source for the data is given. Complements indicator 3.1.4. It is unclear how the targets for 2006 and 2007 were set and whether they are feasible.
<b>Transparency of DPP's response to requests for consent to prosecute corruption cases and adherence to Corrupt Practices Act (CPA) in cases where consent is refused:</b>	This is not an indicator, but a judgment of whether two behaviours are consistent with an abstract norm (transparency) and with a set of constitutional procedures (as laid down by the CPA). Both behaviours could in principle be measured quantitatively. The actions constituting a transparent response could be identified, zero/one values assigned to each action (depending on whether it was taken or not) which are then aggregated to give an overall score. A similar procedure could be adopted for measuring adherence to the CPA in cases where consent is refused.
<b>Number of government</b>	The number of ministries complying with the PPA is a valid

<p><b>Ministries complying with quarterly reporting to ODPP on procurement, as set out in Public Procurement Act (PPA), and action taken by ODPP &amp; line ministries to address problems raised in reports</b></p>	<p>indicator, so long it is clear what ‘compliance’ means. However, actions taken (or not) by agencies to address problems are not indicators, but policy actions.</p>
<p><b>Actual (real) recurrent expenditure to Governance institutions</b></p>	<p>This indicator appears to have been selected by the budget support group to ensure that eight governance institutions including Parliament, Law Commission and Auditor-General’s Office receive an adequate budget over time so that they can carry out their constitutional functions. This is a reasonable objective and the floor spending for each institution is set at the level of real disbursements in FY 2004-05.</p>
<p><b>Number of pre-trial detainees (remand prisoners) in prisons exceeding the maximum permitted remand period:</b></p>	<p>This indicator is clearly defined but no source for the data is given. It is unclear how the targets for 2006 and 2007 were set and whether they are feasible.</p>
<p><b>Number of deaths in prison as result of poor nutrition, HIV/AIDS, etc:</b></p>	<p>The inclusion of ‘etc’ in the description of this indicator makes it ill-defined. What other causes of death are to be included alongside poor nutrition and HIV/AIDS ? If the purpose of this indicator is to monitor the incidence of prisoner mortality which is to some degree avoidable, there is a strong case for also tracking deaths and injuries among prisoners from assaults in prisons. However, it is unclear whether there are mechanisms in place to ensure that the cause of prisoners’ deaths is established by medical staff according to a uniform nation-wide procedure.</p>
<p><b>% of senior decision-making positions in the public sector and in parastatals occupied by women:</b></p>	<p>This is the only gender-specific governance indicator. The job positions covered by the indicator are clearly specified and a source for the data is given.</p>

### **The Millennium Challenge Corporation Threshold Country Plan (MCCTCP)**

This document was drafted by the GoM in June 2005 to support a grant application for US\$20 million from the Millennium Challenge Account (MCA). The plan focuses on interventions in two areas (reducing corruption and improving financial management) and has a two year time horizon (2006-07).

Owing to the large number of indicators (45) presented in the MCCTCP, they are reviewed in four groups. The first group relates to the MCA's strategic goal of combating corruption, while the remaining groups correspond to the different elements in the GoM's anti-corruption strategy: (i) Prevention; (ii) Oversight, and (iii) Enforcement and Deterrence. All indicators have baseline values (mostly for 2004/5) and targets for 2005/06 and 2006/07.

There appear to be three data sources for the indicators: (i) external organizations; (ii) administrative records (but these are not specifically identified), and (iii) a special survey to be conducted if the application is successful.

**The MCCTCP has a much narrower focus than either the MDGS or the activities promulgated by the CABS Group.** Consequently, the indicator coverage of anti-corruption efforts and, to a lesser extent, anti-corruption outcomes is deeper and wider than in the MDGS or the PAF.

One striking feature of the MCCTCP indicator system is the importance given to the number of persons trained (civil servants, legal staff, journalists, police). While training and capacity building amounts to 19% of the total budget requested, 33% of the indicators measure the number of persons trained in different areas of the plan. This may be because the number of persons trained in anti-corruption activities is easier to measure than the incidence of different types of corruption.

<b>Indicator</b>	<b>Comment</b>
<b>Combating corruption as a strategic goal</b>	Five indicators are identified, of which four are outcomes and one is an output. Two of the outcome indicators are constructed by organisations based outside Malawi: the Fitch Credit rating and Transparency International's Corruption Perception Index.
<b>Prevention</b>	Interventions to prevent corruption include implementing an integrated Financial Management Information System, professionalising public procurement, strengthening anti-money laundering, combating financing of terrorism, and passing a Declaration of Assets Law. Ten indicators are identified, of which one is an outcome and nine are outputs, including five relating to the number of staff trained in various plan activities.
<b>Oversight</b>	Oversight interventions include strengthening GoM's capacity to manage, monitor, audit and evaluate fiscal flows; improving the national Assembly's ability to identify and curb corruption; professionalising the media and integrating

	<p>civil society into an anti-corruption campaign. Twenty indicators are identified, of which 13 are outputs including five relating to the number of staff or journalists trained in various plan activities. Six indicators refer to outcomes (of which two are subjectively measured) and one indicator is a quality of legislative committees index for which no source is given.</p>
<p><b>Enforcement and deterrence</b></p>	<p>Interventions to improve enforcement and deterrence include strengthening GoM's capacity to prosecute, building up legal skills and increasing the effectiveness of the police in detecting corruption-related offences. Nine indicators are identified, of which six are outputs including five relating to the number of staff, police and law students completing various types of training. Three indicators refer to outcomes, of which one is subjectively measured.</p>

## The African Peer Review Mechanism (APRM)

The APRM is an important reference point for selecting governance indicators in Malawi. Although the APRM indicators are not yet being collected in the country, the formal process of preparing for the APRM assessment to take place has already begun.

The APRM identifies four policy areas for which objectives, standards, indicative criteria and examples of indicators are defined.

Table 3 presents the 66 indicators proposed for three of these areas: Democracy and Political Governance, Economic Governance and Management, and Corporate Governance. The fourth area (Socio-Economic Development) is not directly related to governance. It is clear from the table that the APRM indicators are more general than those reviewed in the MGDS, the PAM or the MCCTCP.

The table below provides a simple overview of the MGDS governance sub-theme area with reference to the relevant APRM indicators as outlined in the APRM guidelines. Most of the APRM indicators are aggregates and need better definition. To become operational, more disaggregated primary indicators need to be identified for each of these aggregate indicators. For example, the fourth indicator of ‘fighting corruption in the political sphere’ (objective 6 under Democracy and Political Governance) is ‘results of overall assessment of corruption in the country’. This overall assessment is likely to be based on the use of several indicators of corruption as was evident from reviewing the PAM and the monitoring matrices of the MGDS and MCCTCP.

<b>MGDS governance sub-theme area</b>	<b>Indicators as suggested in the APRM guidelines</b>
<i>Public Sector Management/Public Policy Formulation</i>	Credible and reliable budget process
	Preparation and publication of interim financial reports
	Demonstrable autonomy of the Central Bank
	Enactment and enforcement of effective competition regulation
	Effectiveness of independent media in informing the public and providing freedom of expression
	Adequacy of legal framework for free association and formation of NGOs and unions
	Results of overall assessment of adherence to standards and codes and steps taken to address shortfalls and capacity gaps
<i>Public Expenditure</i>	Autonomy and effectiveness of the national auditing body
	Medium term expenditure framework or other domestic medium term planning instruments or any other predictable planning framework
<i>Corruption</i>	Constitutional provision for fighting corruption and effectiveness of institutions carrying out the mandate
	Accessibility of the proceedings of Parliament and the reports of its various committees to the public
	Requirements for periodic public declaration of assets by

	public office bearers and senior public officials
	Ratification and implementation of international codes and the African Union anti-corruption code
	Enactment and enforcement of effective anti-corruption and anti- money laundering laws
	Effectiveness of institutions and programmes, eg. Public Protector, Prosecutor-General
	Results of overall assessment of the prevalence of corruption and money laundering in the country
<b><i>Decentralization</i></b>	<b>No indicators in the APRM covering this area</b>
<b><i>Justice and rule of law</i></b>	Security of tenure of the judiciary and its access to resources
<b><i>Security</i></b>	Level of ratification and accession to relevant African and international instruments for conflict prevention,, management and resolution
	Existence and effectiveness of early warning systems capacity
	Existence of institutions to manage, prevent or resolve conflicts
	Levels and trends of drug trafficking
<b><i>Human Rights</i></b>	Effectiveness of institutions and processes for implementation, oversight and public awareness of human rights principles and the country's obligations therein.
	Regularity and quality of country reporting to treaty bodies
	Adequacy of budgetary provisions and effectiveness of inter-departmental committees to give effect to the country's international obligations
	The overall state of these rights in the country

## **Part IV: Comparison of governance indicator systems used in Malawi**

This paper concludes by showing very briefly how the governance indicators found in the MGDS, PAM, MCCTCP and APRM might be compared as a first step in a process towards greater simplification, harmonization and alignment of indicator systems used by stakeholders. The comparison can be made under four headings: duplication of indicators, indicator complementarity within areas of governance, indicator complementarity across areas of governance, and indicator gaps.

### **Indicator duplication**

The following are examples of indicators which are common to more than one of the indicator systems.

- Several macroeconomic indicators, ie. inflation rate, debt stock and/or debt service as a% of GDP [MGDS, MCCTCP, APRM]
- Planned versus actual total public expenditure [PAM, MCCTCP]

### **Indicator complementarity within areas of governance**

The following are examples of indicators which are complementary across at least two of the indicator systems.

- Prison conditions [MGDS,PAM]
- Corruption [MGDS,PAM, MCCTCP]

### **Indicator complementarity across areas of governance**

One example is the APRM which includes second-level indicators of political conflict, promotion/protection of human rights (including those of women, children and displaced persons/ refugees), which are absent from the other systems.

### **Indicator gaps**

With the exception of one indicator in the PAM, there is little direct monitoring of electoral systems and processes in any of the governance indicator systems reviewed in this paper.

## APPENDIX

**Table 1: MGDS Governance Indicators**

MGDS THEME and SUB THEME		KEY INDICATORS	Baseline – 2005	Target for 2011	Main Responsible party	Frequency of data collection
<b>Theme V: Governance</b>						
<b>Macro-economic Stability</b>	63	Inflation	16.9%	5.0 %	NSO/MEPD	Monthly
	64	Domestic debt stock as % of GDP	19.8 %	10%	MoF	Quarterly
	65	Fiscal deficit as a percent of GDP	3.5%	1.0%	MoF	Annual
	66	Interest rates	27%	< 10%	MoF/RBM	Monthly
	67	Proportion of national budget earmarked for Development	14%		MoF	Annual
	68	Proportion of national budget effectively spent on Development	13%		MoF	Quarterly
<b>Public Sector Mngt</b>						
	69	Law enforcement (perception)	<b>Qualitative</b>		MHRC	Annual
	70	Political Will and mindset (fulfillment of plans/policies in place)	<b>Qualitative</b>		OPC	Annual
<b>Corruption</b>	71	Reported corruption cases effectively prosecuted	38%		ACB	Annual
	72	Improved investor confidence	<b>Qualitative</b>		MoTPSD/ACB	Annual
<b>Decentralization</b>	73	Sectoral devolution (number of sectors fully devolved)	<b>3 are leading</b>	100%	MoLGRD	Annual
	74	Community participation in decision making (perception)	<b>Qualitative</b>		MoLGRD	Annual
<b>Justice /Rule of Law</b>	75	Prosecution rates			MoJ	Annual
	76	Reported human rights violation cases effectively prosecuted			MHRC	Annual
	77	Access to justice for citizens	<b>Qualitative</b>		MoJ	Annual
<b>Security</b>	78	Crime Detection rates	24%		MoHA	Annual
	79	Police/population ratio	1:1,672	1:1000	MoHA	Annual
	80	Proportion of villages with operational community policing units			MoHA	Annual
	81	Warden/prisoners ratio	1:16	1:5	MoHA	Annual
<b>Corporate Gov.</b>	82	Number of public officers trained			SOCAM	Annual

Source: Selected Impact Indicators, MGDS, 2006

**Table 2: Performance Assessment Framework indicators**

EC	No	Indicator	Baseline	Target for 2007 review	Indicative Target for 2008 review	Comments
<b>Public Finance Management Indicators</b>						
	1	Overall macroeconomic programme implemented	PRGF programme signed in August 2005	On track with IMF as of the latest IMF quarterly review.	On track with IMF as of the latest IMF quarterly review.	
	2	Financial information provided by donors (within GoM deadline) for budgeting and reporting on project and program aid to government is reflected in budget documentation.	FY 05/06 for Feb 2007 review. FY 06/07 for Feb 2008 review.	For FY 2006/07: World Bank (IBRD), AfDB and from HIPC, DFID, EU, Norway, Sweden, Germany, USAID, Global Funds.	For FY 2007/08: Same as for FY 06/07 + UN-system, JICA and CIDA	Source: MoF Definition: PEFA Performance Measurement Framework - June 2005.
	3	Composition of expenditure out-turn compared to original approved budget.	FY 05/06 for Feb 2007 review. FY 06/07 for Feb 2008 review.	Variance in expenditure composition exceeded overall deviation in primary expenditure by no more than 10%.	Variance in expenditure composition exceeded overall deviation in primary expenditure by no more than 10%.	Primary expenditures exclude debt service repayment and donor funded project expenditure. Deviation is calculated for the 20 largest headings. <sup>2</sup> Source: MoF Definition: PEFA 2005  Primary expenditure comprises: (i) Wages & salaries, (ii) Generic goods & services, (iii) Transfers & subsidies, (iv) Development part II
	4	Composition of expenditure out-turn compared to original approved budget: for PPEs.	FY 05/06 for Feb 2007 review. FY 06/07 for Feb 2008 review.	Variance in actual expenditure exceeds overall deviation in primary expenditure by no more than 5%.	Variance in actual expenditure exceeds overall deviation in primary expenditure by no more than 5%.	Primary expenditures exclude debt service & donor funded project expenditure. Deviation is calculated for PPE expenditures as per Table 11, Budget Document No.3 for FY 2006/07. Source: MoF Definition: PEFA 2005
	5	Composition of expenditure out-turn compared to original approved budget: for Health ORTs.	FY 05/06 for Feb 2007 review. FY 06/07 for Feb 2008 review.	Variance in actual expenditure exceeds overall deviation in primary expenditure by no more than 5%.	Variance in actual expenditure exceeds overall deviation in primary expenditure by no more than 5%.	Primary expenditures exclude debt service repayment and donor funded expenditure. Deviation is calculated for health ORTs expenditures. Source: MoF Definition: PEFA 2005
	6	Composition of expenditure out-turn compared to original approved budget: for Education ORTs.	FY 05/06 for Feb 2007 review. FY 06/07 for Feb 2008 review.	Variance in actual expenditure exceeds overall deviation in primary expenditure by no more than 5%.	Variance in actual expenditure exceeds overall deviation in primary expenditure by no more than 5%.	Primary expenditures exclude debt service repayment and donor funded expenditure. Deviation is calculated for education ORTs expenditures. Source: MoF Definition: PEFA 2005

<sup>2</sup> 20 largest headings are: Judiciary, National Assembly, National Audit, Ministry of Agriculture, National Statistical Office,, Ministry of Health, Ministry of Education, Ministry of Women and Child Welfare, Ministry of Finance, Police, Prisons, ODPP, ACB, Ministry of Irrigation and Water Development, Ministry of Transport and Public Works, Department of Nutrition HIV/AIDS, DHRMD, MEPD, Ministry of Justice, Ministry of Local Government

7	Effectiveness of payroll controls	Situation as of end December 2006 for Feb 2007 review. Situation as of end of December 2007 for Feb. 2008 review.	Reconciliation of the payroll with the backlog of personnel data takes place by Dec. 2006.	Payroll audit is conducted by June 2007. Payroll for FY 07/08 is supported by full documentation for all changes made to personnel records on a monthly basis.	Source: MoF  Note: Reconciliation of the payroll is an on-going exercise
8	Effectiveness of Internal Audit	No action is being taken on audit findings by management	Internal audit is operational for central government entities representing at least 50% of primary expenditure. Reports are issued regularly to audited institutions, NAO & MOF.	Internal audit is operational for all central government entities. Reports adhere to fixed schedule and distributed to audited entity, NAO, MOF.	Source: MoF
9	Timeliness of annual financial statements	For FY05/06 for Feb 2007 review. For FY 06/07 for Feb 2008.	Consolidated GoM statement is submitted for external audit within 6 months of the end of FY.	Consolidated GoM statement is submitted for external audit within 6 months of the end of FY. IPSAs or corresponding national standard are applied.	Public Finance Management Act specifies that financial statement should be communicated within 4 months of the end of FY.  Source: MoF
10	Scope, nature and follow up of external audit.	For FY04/05 for Feb 2007 review.  For FY05/06 for Feb 2008.	Central GoM entities representing 50% of expenditures are audited. FY 04/05 Audit Report submitted to legislature by Dec 2006	Central GoM entities representing 75% of expenditures are audited. Audit report submitted to legislature within 4 months from receipt of consolidated government statement by NAO. Clear evidence of effective and timely follow up.	Public Audit Act requires audit report to be submitted to parliament within 6 months from end of FY.  Source: MoF Definition: PEFA 2005
11	Legislative Scrutiny of external audit report	For FY 02/03 for Feb 2007 review.  For FY 03/04 & 04/05 for Feb 2008.	Scrutiny of Audit Report for FY 02/03 is completed by the legislature by Feb. 2007.	Scrutiny for FY 03/04 and 04/05 is completed by the legislature by Dec. 2007. Recommendations to the executive are issued and evidence of implementation exists.	Source: MoF, NAO, Parliament

Governance indicators						
	20	MGDS implementation	N/A	Approval by December 2006, including M&E Road Map adapted to MGDS	1st Annual Review (FY 2006/07) report available.	
	21	Government compliance with the Constitution and rule of law.	(a) Local elections not held in line with the Constitution  (b) Weak compliance with constitutional provisions on declaration of assets	(a) Position on local elections regularised by Feb 2007  (b) Standing Orders or legislation approved by Feb 2007 for implementing declaration of assets and sanctions for failure	(a) Preparations for 2009 elections in line with Constitution  (b) Asset Declaration Standing Orders or legislation implemented by Dec 2007	Constitution currently requires elections to Local Assemblies by May 2005, which could be resolved by changing the requirement or by its urgent implementation
	22	Elections judged free and fair by local civil society and international observers	2004 elections judged free but not entirely fair because of abuse of incumbency by ruling party  (a) MEC in need of reform to be more competent and impartial  (b) MEC weak in managing election environment. Freedom House assessed media as partly free in 2005.	(a) MEC Strategic Plan revised and Action Plan being implemented with Electoral Commissioners appointed according to objective criteria (see APRM indicator)  (b) Malawi judged partly free media (Freedom House press freedom indicator)	(a) As for 2007  (b) Communications Act modified to provide for independent Board for public media	
	23	Corruption: Average number of months for corruption cases to be completed	18 Months	16 months	12 months	Definition: Number of cases times duration of case in court in months divided by total number of cases brought to court. For this indicator, cases start when pleas is taken in court (Source ACB).
	24	% of corruption cases completed within 12 months	As at December 2005=33%	As of December 2006=50%	As of December 2007=60%	Definition: Total number of cases completed brought to court after July 2004 and completed in 12 months divided by total number of cases brought to court since 2004 Source: ACB

25	Corruption: Transparency of DPP's response to requests for consent to prosecute corruption cases and adherence to Corrupt Practices Act in cases where consent is refused	DPP has not refused any requests from ACB  Some delays in processing requests	Continued agreement to consent requests or compliance with CPA if a request is refused.  Monitor length of time for consents to be processed		Source: ACB, DPP and Legal Affairs Committee of Parliament
26	Procurement: Number of Govt Ministries complying with quarterly reporting to ODPP on procurement, as set out in Public Procurement Act, and action taken by ODPP & line ministries to address problems raised in reports	Only MoF and ACB complying with reporting in 2005	In addition to MoF & ACB, quarterly reporting requirements met by Health, Education, Agriculture, Transport, Irrigation & Water & Privatisation Commission	Quarterly reporting requirements met as in 2006 and action taken by ODPP and line ministries to address problems raised in 2006	Source: ODPP, line ministries
27	Actual recurrent expenditure to Governance institutions	Actual disbursements for FY 2004/05	At a minimum actual recurrent expenditure in FY 2005/06 is maintained at 2004/05 level in real terms	At a minimum actual recurrent expenditure in FY 2006/07 is maintained at 2004/05 level in real terms	Governance institutions monitored: Parliament, Law Commission, MEC, ACB, MHRC, Ombudsman, Auditor General's Office, Legal Aid Department  Definition: Expenditure 'in real terms' measured by applying headline inflation rate to 2004/05 figures.  Source: MoF / Accountant General's Department, NSO (inflation)
28	Prison conditions : (a) Number of pre-trial detainees (remand prisoners) in prisons exceeding the maximum permitted remand period  (b) No of deaths in prison – as result of poor nutrition, HIV / AIDS, etc	3,580 on average in 2005  14 deaths per 1,000 prison population in 2005	1,790 average for 2006  8 per 1,000	50% of 2006 figure  57% of the 2006 figure	Definition: total number of Pre-trial detainees / remand prisoners in prisons exceeding the maximum permitted remand period  Source: Malawi Prisons
19	Women in Decision Making Positions	15% in 2005	16% as at December 2006	19% as at December 2007.	MGDS 2011 target not available. Source : MOGWC Definition: Women in decision making positions in government sector, i.e. from P5 (Asst. Dir) to P2 (Principal Secretary) and in Parastatals (Deputy General Manager, Director or Chief Executive, Executive Secretary)

Source: Performance Assessment Framework, Annex 5, August 2006

**Table 3: Illustrative governance indicators proposed by the African Peer Review Mechanism (APRM)**

<b>Governance Area</b>	<b>Objective</b>	<b>Example Indicators</b>
Democracy and Political Governance	1. Prevent and reduce intra- and inter-country conflicts	Level of ratification and accession to relevant African and international instruments for conflict prevention,, management and resolution
		Existence and effectiveness of early warning systems capacity
		Existence of institutions to manage, prevent or resolve conflicts
		Levels and trends of drug trafficking
	2. Constitutional democracy, including periodic political competition and opportunity for choice, the rule of law, a Bill of Rights and the supremacy of the constitution are firmly established in the Constitution	Adequacy of express provisions in the Constitution
		Effectiveness of democracy and law enforcement mechanisms
		Independence and effectiveness of Electoral Commission to ensure fair and free elections
		Adequacy of legal framework for free association and formation of non-governmental organizations and unions
		Effectiveness of independent media in informing the public and providing freedom of expression
		Public perceptions of and the degree of satisfaction with democracy and political governance
		Congruence of the national Constitution with the Constitutive Act of the African Union
	3. Promotion and protection of economic, social, cultural, civil and political rights as enshrined in all African and international human rights instruments	Effectiveness of institutions and processes for implementation, oversight and public awareness of human rights principles and the country's obligations therein.
		Regularity and quality of country reporting to treaty bodies
		Adequacy of budgetary provisions and effectiveness of inter-departmental committees to give effect to the country's international obligations
		The overall state of these rights in the country
	4. Uphold the separation of powers, including the protection of the independence of the judiciary and of an effective Parliament	Security of tenure of the judiciary and its access to resources
		An effectively independent judicial services commission to ensure professionalism and integrity with responsibility for the appointment of judges
		Inter-party committees within parliament exercising effective oversight functions over various areas of public interest
		Overall assessment of state of governance in these areas
	5. Ensure accountable, efficient and effective public office holders and civil servants	Mandated reports by the Executive branch of government to the country
Provisions for public hearings to which public officials can be called to account		
A constitutionally mandated public service commission that is effectively structured and resourced		
A legal instrument embodying a code of conduct for public office holders		
Results of overall assessments or citizen charter reports		

Democracy and Political Governance (continued)	6. Fighting corruption in the political sphere	Constitutional provision for fighting corruption and effectiveness of institutions carrying out the mandate
		Accessibility of the proceedings of Parliament and the reports of its various committees to the public
		Requirements for periodic public declaration of assets by public office bearers and senior public officials
		Results of overall assessment of corruption in the country
	7. Promotion and protection of the rights of women	Accession and ratification of the relevant African and international instruments on the rights of women and girls
		Effectiveness of constitutional provisions and laws, and institutions protecting and promoting the rights of women
		Consequential steps taken to ensure full and meaningful participation of women in all aspects of national life, particularly in political and economic domains
		Results of overall assessment of status of women
	8. Promotion and protection of the rights of the child and young persons	Effectiveness of constitutional provisions and institutions to advance the rights of the child and young persons
		Accession to and ratification of the relevant international instruments on the rights of the child and young persons, and the measures taken to implement them
		Consequential steps taken to ensure the realization of the rights of the child and young persons
		Results of overall assessment of the status of children and youth in the country
	9. Promotion and protection of the rights of vulnerable groups, including internally displaced persons and refugees	Adequacy of constitutional provisions and legal and regulatory steps to enforce them
Accession to and ratification of the relevant international instruments on the rights of vulnerable groups, including internally displaced persons and refugees, and the measures taken to implement them		
Consequential steps taken to ensure the realization of the rights of vulnerable groups		
Enactment and enforcement of legislation to stop human trafficking		
Results of overall assessment of the status of vulnerable groups in the country		
Economic Governance and Management	1. Promote macroeconomic policies that support sustainable development	Measures of sound macroeconomic management (deficit to GDP and its sustainability, revenue to GDP, inflation rate, debt to GDP and its sustainability, share of deficit financed by Central Bank)
		Positive impacts on socio-economic development, including the rate of unemployment or job creation in both formal and informal sectors
	2/3 Implement transparent, predictable and credible government economic policies and promote sound	Autonomy and effectiveness of the national auditing body
		Credible and reliable budget process

	public finance management	Preparation and publication of interim financial reports	
		Demonstrable autonomy of the Central Bank	
		Enactment and enforcement of effective competition regulation	
		Medium term expenditure framework or other domestic medium term planning instruments or any other predictable planning framework	
		Results of overall assessment of adherence to above mentioned standards and codes and steps taken to address shortfalls and capacity gaps	
	4 Fight corruption and money laundering	Ratification and implementation of international codes and the African Union anti-corruption code	
		Enactment and enforcement of effective anti-corruption and anti- money laundering laws	
		Effectiveness of institutions and programmes, eg. Public Protector, Prosecutor-General	
		Results of overall assessment of the prevalence of corruption and money laundering in the country	
	5 Accelerate regional integration by participating in the harmonization of monetary, trade and investment policies amongst the participating states	Country's economic and sectoral policies are coherent with and supportive of regional economic integration objectives	
		Implementation of MOUs and other regional economic arrangements and treaties	
	Corporate Governance	1. Provide an enabling environment and effective regulatory framework for economic activities	Effectiveness of legal framework and enabling environment
			Effective regulation of accounting and auditing professions
			Effectiveness of private sector regulation
		2. Ensure that corporations act as good corporate citizens with regard to human rights, social responsibility and environmental sustainability	Existence of effective Environmental Impact Assessment programme
Timelines and effectiveness of resolving corporate disputes			
3. Promote the adoption of codes of good business ethics, eg. Cadbury and King Codes, in achieving the objectives of the organization.		Level of application of international codes and standards	
		Results of overall assessment of corporate integrity	
4. Ensure that corporations treat all their stakeholders (shareholders, employees, communities, suppliers and customers) in a fair and just manner		Cooperativeness of employer-employee relations and positive assessments of labour unions	
		Level of compliance to reporting and disclosure requirements covering capital market, state-owned enterprises and agencies, banking, insurance and financial sector, etc.	
5. Provide for accountability of corporations and directors		Effectiveness of protection of property rights and creditors' rights	

Source: Objectives, standards, criteria and indicators for the African Peer Review Mechanism (NEPAD, 9/3/2003)

**Figure 1: Indicators included in the Millennium Challenge Corporation Threshold Country Plan for Malawi, June 2005**

