

FEBRUARY 07

## Country Governance Analysis

### 1 Foreword

1.1 DFID's 2006 White Paper 'Eliminating world poverty: making governance work for the poor' emphasises that governance is central to development and sets out three requirements for good governance: state capability, accountability and responsiveness. The UK will put support for good governance at the centre of what we do and help build states that work for poor people. The White Paper commits DFID to adopt a new "quality of governance assessment" to monitor governance, including the causes of conflict and insecurity, and to use this assessment to guide the way we give UK aid. At the country level this will be called Country Governance Analysis (CGA).

1.2 This Note provides operational guidance on how to conduct Country Governance Analysis. The Note is aimed mainly at Country Office staff involved in preparing this analysis as part of the country assistance planning process. This note aims to promote a consistent approach across DFID to ensure the analysis is clearly presented and based on common principles. The exact scope and content of any CGA will depend on the country context.

1.3 This note has been prepared following extensive consultations within Policy and Research Division and with regional divisions, including testing the guidance in country circumstances. Also reflected are comments from the Foreign and Commonwealth Office (FCO). This note will be supplemented with additional guidance as required. In addition, an evaluation of experience in undertaking CGAs will be conducted in 2007 and the How-To Note may be subsequently updated to reflect lessons learnt.

1.4 For further information please contact the Effective States team in Policy and Research Division.

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## 2 Summary and key messages

2.1 The key strategic objective of the CGA is to put a comprehensive governance analysis at the heart of the country planning process in order to better inform our strategies and our decision making.

2.2 The CGA will provide Ministers and senior management with a better understanding of governance context and trends. This will help inform our decisions on the objectives and focus of aid programming and choice and mix of aid instruments. The CGA will also help us manage risk more effectively. Finally the CGA will also inform our analysis of a partner country government's progress against the three partnership commitments set out in DFID's policy paper 'Partnerships for poverty reduction: rethinking conditionality'. However, the CGA will not constitute a fourth commitment.

2.3 CGAs will be prepared in the context of the country assistance planning process and will be mandatory for all countries required to prepare Country Assistance Plans (CAPs). Undertaking a CGA will be optional for non-CAP countries and in advance of Development Partnership Agreements (DPAs). The CGA will be approved and signed off by the Head of Country Office before submission to the Quality Assurance Group (QAG) as part of the peer review of the CAP. The CGA will be a publicly available document and so should be written for proactive publication. Any sensitive data and analysis not included in the CGA should be set out in the covering submission to the QAG.

2.4 DFID's approach to CGAs aims to combine simplicity and flexibility with rigour and consistency. Undertaking a CGA should be a straightforward process. Country Offices are required to gather information already in the public domain, organise this according to the three requirements of good governance set out in the White Paper, state capability, accountability and responsiveness (the CAR framework), analyse and interpret this information and use existing country level dialogue processes to arrive at a shared understanding of the quality of governance. Country Offices should have maximum flexibility in their choice of governance indicators, their focus on specific aspects of governance relevant to their country context, and their positioning within local processes. Where development partners such as the World Bank, European Commission and other multilaterals and bilaterals have already produced their own rigorous and robust assessments, the CGA may simply provide this assessment reinforced with additional data and analysis if needed.

2.5 The only requirements are that a limited number of key indicators are mandatory (see Section 7: Paragraph 7.2 and Tables 3 - 5), that Country Offices present data sources and analysis using the CAR framework and that the CGA follow a set template (given in Section 4 Table 1) to ensure a consistent approach based on common principles.

2.6 Five key principles have driven the production of this guidance. The CGA should:

- be rigorous and credible, and *set within the framework established in the White Paper*, i.e. good governance is to be found where states are capable, accountable and responsive;
- *be based on existing information in the public domain*;
- *support not undermine* the Paris Declaration on Aid Harmonisation through *shared analysis*;
- *support country-led approaches* by building on existing processes of dialogue; and
- *be embedded within the country assistance planning process*

## 3 The purpose of a Country

### Governance Analysis

3.1 The White Paper sets out DFID's commitment to assessing the quality of governance in the countries where we work in order to monitor governance over time, including the causes of conflict and insecurity, and to inform the choices that we make over the use of aid resources. Monitoring governance can help assess the direction of travel of governance, support dialogue at country level and inform the choices that we make over the use of aid resources. It can also help us to manage risk more effectively.

3.2 There are four main purposes of undertaking a CGA:

- to reach a judgment on both the broad trajectory of development and change in governance, as well as trends in critical and specific aspects, and the key short and medium term risks in governance;
- to inform DFID Ministers and senior management understanding of historical and strategic context of governance in any particular country;
- to inform the nature, content and direction of donor governance dialogue in-country (if such a process exists), or to help initiate one where it doesn't; and
- to inform the design of DFID's country programme, and especially the priority interventions for the governance programme

3.3 As outlined in the White Paper, the CGA will help guide aid policy within our partner countries. The analysis will have implications for the overall objectives and focus of the country programme. It will affect the choice of institutions that we prioritise for DFID support and the relative proportion of our aid programme that supports these institutions. It will also affect the choice and mix of aid instruments that we will use to support governments, particularly the extent to which we align our support to government's own strategies and deliver it through their systems.

3.4 The CGA will provide an analysis of a partner country government's progress against the three partnership commitments set out in our UK policy paper 'Partnerships for poverty reduction: rethinking conditionality'. However, the CGA will **not** be used:

- to establish indicators that will be used to trigger aid disbursements;
- to set minimum thresholds for particular aid instruments; or

- to provide specific *judgements* on our three partnership commitments. In particular, the CGA will not constitute a fourth partnership commitment.

3.5 In these regards, the purpose of the CGA is different to approaches used by other multilateral and bilateral agencies. The European Commission Governance Profile is for example used to determine the allocation of the ‘incentive tranche’ of their Governance Initiative.

3.6 **Guiding Principles:** Five key principles have driven the production of this guidance. The CGA should be:

3.7 **Framed within a broad governance framework....** This guidance note has deliberately taken a non-prescriptive approach. As much as possible (in terms of both content and process) is left to the Country Office to decide. Rather, the note aims to promote a consistent approach to governance analysis across DFID; first, by ensuring the analysis is based on common principles, i.e. good governance is to be found where states are capable, accountable and responsive, and second, by presenting the analysis in a common format.

3.8 **... and based on existing information in the public domain.** The CGA should be based on a balanced set of ‘triangulated’, or cross-checked, and credible, governance indicators and existing governance diagnostics, assessments and reports that are in the public domain. These may be on the web or paper based. As such, the CGA should be quick to do. It should be acknowledged that while such data is ‘in the public domain’, many such sources will be unknown to, or unrecognised by, partner governments.

3.9 **The analysis will be a shared one...** In line with the Paris Declaration principles, the CGA should be as far as possible a country level analysis shared among DFID, FCO, partner governments, other donors and civil society. The FCO should be consulted during the preparation of the CGA. Country Offices are encouraged to move toward joint analysis with other donors (especially the World Bank and European Commission), government and civil society where they judge that there are gains to be made to on-going dialogue processes in country or to the quality of analysis.

3.10 **... which supports country led approaches...** Where there is already agreement and momentum around an existing analytical or diagnostic framework, the CGA should draw from this, rather than duplicating processes and imposing new analytical frameworks. In assembling the CGA, each DFID Country Office should take as its starting point whatever ‘core’ donor-government process or dialogue is already in place, or is emerging. Where development partners such as the World Bank, European Commission and other multilaterals and bilaterals have already produced rigorous and robust assessments of their

own, the CGA may simply provide this assessment reinforced with additional data and analysis if required.

3.11 ... **and is embedded within the country assistance planning process.** Country Offices will prepare CGAs as a core component of the country assistance planning process. Its key points and conclusions should feed into country planning decisions.

## 4 Country Governance Analysis: the basics

4.1 **Who needs to do a CGA and when?** All Country Offices that are required to prepare CAPs are required to prepare a CGA in the context of their country assistance planning process. Country Offices which do not prepare CAPs may choose to prepare a governance analysis based on this guidance but this is not mandatory. Country Offices may also consider preparing a CGA in advance of DPAs but this is also not mandatory.

4.2 Country Offices may choose to update their analysis for various reasons. Governance contexts may change at short notice. This may be precipitated by a change in political leadership or regime. Or there may be a perceived deterioration or improvement in governance that a Country Office may want to analyse further. A Country Office may consider updating their CGA when for example particularly worrying human rights violations occur or when serious concerns are voiced as to the conduct of elections.

4.3 Updates could also be at the request of Ministers and senior management.

4.4 **What should a CGA look like?** Depending on the availability of data and analyses, and governance complexity, the CGA may be as short as 5 pages or as long as 30 pages.

4.5 Governance data upon which the CGA will be based should be presented against the three requirements of good governance as set out in the White Paper: state capability, accountability and responsiveness. Within this analytical framework, Country Offices should aim to cover fifteen elements of governance as listed in the Template set out in Table 1 below. Country Offices may choose to focus on specific aspects that are most relevant to their country context. If possible, Country Offices should aim to disaggregate by gender routinely across all sub-headings.

4.6 While the principle is to have as much “above the line” as possible, in sensitive (and exceptional) cases, Country Offices may need to include such sensitive analysis within a covering submission to the QAG (see Paragraph 4.8). This may include best and worst case scenarios, and potential upcoming flashpoints, and possible DFID response should they come about. If appropriate it could also contain information on country dialogue and other partners that DFID judges important but that might prejudice our relationships if widely available.

**Table 1: The Country Governance Analysis template**

<b>Covering Submission</b>	Reason for submission	
	Background	
	Sensitive information and analysis	
<b>Executive Summary</b>	Governance trends	
	Prognosis and foreseeable risks	
	Implications for DFID programming and conditionality assessment	
<b>Section A: Preamble</b>	Historical, regional, economic, social and political context	
<b>Section B: Governance Data</b>	2-6 data points on each sub-heading under the CAR framework	
	State Capability	<ul style="list-style-type: none"> <li>• Political Stability and Personal Security</li> <li>• Economic and Social Policy Management Capability</li> <li>• Government Effectiveness and Service Delivery</li> <li>• Revenue Mobilization and Public Financial Management</li> <li>• Conditions for Investment, Trade and Private Sector Development</li> </ul>
	Accountability	<ul style="list-style-type: none"> <li>• Political Freedoms and Rights</li> <li>• Transparency and Media</li> <li>• Political Participation and Checks</li> <li>• Rule of Law and Access to Justice</li> <li>• Civil Society</li> </ul>
	Responsiveness	<ul style="list-style-type: none"> <li>• Human Rights and Civil Liberties</li> <li>• Pro-poor Policy</li> <li>• Inequality, Discrimination and Gender Equality</li> <li>• Regulatory Quality</li> <li>• Corruption</li> </ul>
<b>Section C: Analysis of Data</b>	Governance trends	State Capability
		Accountability
		Responsiveness
	Prognosis	
	Foreseeable risks	
<b>Section D: Country Dialogue and Engagement</b>	Existing donor-government engagement on governance reforms	
	DFID's strategic aims in governance programme	
<b>Section E: Implications for DFID</b>	Implications for Country Programme	Governance spending priorities
		Choice of instruments
		Staffing implications
	Implications for DFID conditionality assessment.	

**4.7 Country Office Support:** The Effective States team in Policy and Research Division will be the initial source of guidance and support on the CGA process and data sources (if required). Support to Country Offices on conflict data and analysis will be provided by CHASE or other regional units as required. Other teams have expertise on specific issues (e.g. Country Led Approaches and Results Team, Global Development Effectiveness Division, can provide advice on aid effectiveness, country led approaches, conditionality and aid instruments). See Annex 4 for further sources of guidance.

**4.8 Peer Review and Quality Assurance:** CGAs will be submitted to the QAG as part of the peer review of their CAP. Prior to this, Country Offices have the option of submitting their CGA to the Effective States Team, Policy and Research Division, for quality assurance and peer review. However, where CGAs are prepared separately from CAPs, CGAs will be submitted to the Effective States Team for quality assurance and peer review. The QAG and EST will focus on:

- whether the required structure has been followed and mandatory sections have been completed;
- whether a balanced and relevant set of international and national data sources has been used;
- whether the data has been 'triangulated', or cross-checked;
- how the data has been interpreted; and
- the extent to which the preparation process was aligned and harmonised with existing processes in country

**4.9 Evaluation of CGA experience:** The Effective States team will lead a review of experience of conducting CGAs in 2007. This will inform an update of this guidance in 2007/2008 if needed.

## 5 Methodology: how to conduct a Country Governance Analysis

5.1 **Strategic Planning:** A year ahead of the CAP or DPA, a Country Office may want to start preparing for their CGA. It may be helpful to think about a timetable and staff resources for preparing the CGA; the consultation process; and the information and data sources that might help analysis.

5.2 **Timetable and staff resources:** Where possible, the CGA should be aligned with national planning cycles, such as the poverty reduction strategy timetable, and on-going donor discussions with partner governments. This will help reduce transaction costs for partner countries, and move towards alignment of our and other donors planning processes behind country led poverty strategies.

5.3 In some countries, the CGA may be based on agreed and shared analysis (such as the European Commission's 'Governance Profile', the World Bank governance assessment or the Netherlands governance assessment) and so will be relatively straightforward to prepare and draft. In such cases, the CGA may only take a week. In other countries where such analysis is not available, data is patchy and difficult to interpret, or where the governance context is particularly complex, the CGA may take longer.

5.4 Country Offices should make their own decisions on staff resources and management responsibilities based on availability, skill set and experience. Within larger offices, and where a wide consultation process is being launched, a supportive steering committee comprising advisers, programme managers and the FCO may be set up. Consultancy support may be commissioned where Country Offices feel that their analysis would benefit from external independent support by long-standing country 'experts', especially nationals respected by partner governments. The Country Office may then wish to have the draft CGA peer reviewed as part of the in-country CGA process.

5.5 **The consultation process:** In line with the Paris Declaration, the CGA should be as far as possible a country level analysis shared by DFID, FCO, partner governments, other donors and civil society. The FCO should be consulted during the preparation of the CGA.

5.6 With other stakeholders, a shared analysis could mean a range of degrees of sharing: from joint production, endorsement, consultation through to merely handing over a final document. Assembling and agreeing the CGA jointly with other donors, government and key

representatives of civil society will be challenging in most countries. Where political governance is fundamentally contested, it may not be possible.

5.7 Consultation should therefore wherever possible take place within existing and agreed frameworks of consultation as part of the CAP process. Country Offices are encouraged to move toward joint analysis where they judge that there are gains to be made to the quality of analysis or the strength of on-going dialogue processes in country.

5.8 A stakeholder map, a 'drivers of change' analysis or other analyses may help to identify stakeholders that a Country Office could consult during CGA preparation. These may extend beyond the 'usual suspects', such as central government and donor-funded non-government organisations, to include provincial and local government, civil society organisations, and less visible community (such as minority and refugee) representatives. Diaspora may also be consulted. In some contexts, such as federal political systems, Country Offices may want to consider whether country level CGAs might be usefully supplemented with provincial or state level analysis. In other countries, the state of governance may be significantly affected by regional and international governance issues. The consultation map could be shaped by these considerations.

5.9 Consultation should be proportionate, taking into account stakeholder capacity and practical and political feasibility, and have a clear purpose. Country Offices may want to initiate the consultation process by agreeing on the purpose and process of consultation with stakeholders in order to manage expectations.

5.10 **Information and data sources required:** Country Offices should gather existing information and data already in the public domain (particularly data produced or endorsed by the government concerned) as background and the evidence base for their analysis. These would include partner government's own documentation and analysis (including central, provincial, state and local where appropriate); DFID's own analytical documents; FCO and other UK government department reports; other donor, international and local experts' analysis; civil society analysis; and governance indicators. Regional and neighbouring country analysis should also be gathered where it is felt that the quality of governance in a country is driven by regional or international factors. More guidance is given in Section 6.

5.11 The strategic planning process may help to identify whether understanding in a particular area needs to be strengthened, is outdated or in other ways inadequate, and so may trigger any one or more of DFID's own in-depth analytical tools or commissioning of additional independent analysis. Country Offices may also identify a need to support local indicator development. These could then usefully feed into the next CGA, or its update, and CAP.

## 6 Guidance on the evidence base

**6.1 Existing agreed analytical frameworks:** In assembling the CGA, each DFID Country Office should take as its starting point whatever ‘core’ donor-government analysis, process or dialogue is already in place, or is emerging. This may be a ‘governance matrix’ under discussion as part of the development of a poverty reduction strategy paper or a development partnership agreement between government and donors. In other countries it may be the European Commission’s ‘Governance Profile’ depending on the extent to which the profile is shared with the government. Where there is no shared analytical framework, the country constitution may even be a good starting point for a dialogue on rights, responsibilities and commitments.

**6.2 Partner country government analysis and indicators:** Wherever possible the CGA should draw from the partner country government’s own documentation, analysis and reports. These may include the constitution, relevant laws, government statistics, the national budget, audit reports, service delivery reports, departmental reports and civil society consultation reports. Many countries also have a range of national data sources on governance issues – ranging from opinion polls, corruption surveys, report cards and other management information systems.

**6.3 International and regional reports:** International and regional bodies produce reports and analysis of governance, such as the Africa Peer Review Mechanism reports. The UN human rights system produces various types of human rights reports such as the UN Human Rights Council’s country reports. These may have greater legitimacy than bilateral or non-governmental reports. There are regional human rights systems in Africa, the Americas and Europe, such as the reports of the African Commission on Human and People’s Rights and those of the Inter-American Commission on Human Rights, which also produce useful information.

**6.4 DFID analytical tools:** Where available, DFID analytical tools such as Fiduciary Risk Assessments, Strategic Conflict Assessments, Social Exclusion Assessments, social audits, gender equality analyses and human rights assessments, should inform the CGA. In particular, Drivers of Change studies will provide important background on the distribution of power between the citizen and state, and power relationships among different stakeholders. This list is not exhaustive and it is important to note that the CGA does not undercut the need for Country Offices to commission any of the above to deepen their analysis and

understanding. At the same time, not all of these are necessary – Country Offices should base decisions on their judgement of need.

**6.5 FCO and other UK Government Department reports and analytical tools:** The FCO, other UK Government Departments and inter-departmental units produce a number of reports and analysis that should be reviewed and referenced where they are in the public domain. The FCO produces regular human rights analyses in various countries and has also set out a democracy analysis tool in its new 'Democracy Toolkit'. Where the UK Post-Conflict Reconstruction Unit has produced joint stabilisation analyses these could also be reviewed.

**6.6 Other agency diagnostics and reports:** Other development agencies produce governance analysis of particular dimensions of governance that should be referenced. These may include the European Commission's 'Governance Profile', World Bank governance assessment, Netherlands governance assessment framework, European Commission's Human Rights Fact Sheets, African Development Bank's 'Governance Profile', Swedish International Development Agency's (SIDA's) Power Analysis, SIDA's Conflict Assessments and others. Where such analysis is sufficiently rigorous and robust, the CGA may simply provide this alongside additional and reinforcing data and analysis if needed.

**6.7 Independent reports and statements:** A number of international and national organisations produce reports and publish statements on different aspects of governance that should be reviewed and referenced as needed in the CGA. These include country reports from international civil society organisations and initiatives such as the Bertelsmann Foundation, International Crisis Group, Clingendael Institute, Human Rights Watch, Amnesty International, Freedom House World Governance Assessment and Global Integrity. These may also include participatory poverty assessment reports commissioned by governments, donors or civil society organisations. In addition, reports that focus on governance impacts of neighbouring countries may be useful when considering the causes of conflict and insecurity within a country. There are also important local sources of information (possibly not in English) such as local human rights reports, civil society reports, media reports, professional association and union reports and non-government organisation perception studies (AfroBarometer is one example).

**6.8 Governance indicators:** There are a number of global sources of governance data that are publicly available. These include the World Bank Institute's 'Governance Matters' indicator set, the World Bank's International Development Assistance Internal Resource Allocation Index (IRAI, formerly Country Policy and Institutional Assessment or CPIA) and

Transparency International's Corruption Perception Index. More detailed information on these sources is available in Section 7: Tables 3 - 5.

**6.9 Political risk indicators:** For the prognosis and political risk sections, Country Offices may want to review the political risk indicators and analysis produced by private sector companies, such as the Political Risk Services Group (International Country Risk Guide), Economist Intelligence Unit and Eurasia Group. Country Offices may also consider commissioning bespoke country reports on political risk from Control Risk Group.

# 7 Guidance on key Country Governance Analysis sections

7.1 **Section B: Governance data:** All information will be presented factually, focusing on main conclusions and directly referenced sources. In order to maintain objectivity and credibility care should be taken to provide a balanced view drawing on a range of credible data sources and presenting conflicting data where this exists. As far as possible, the CGA should present numerical indicators tracked over years to show trends. There will be no additional DFID analysis of information in this section.

7.2 There are a number of data sources which are publicly available and suggested below in Tables 3 - 5. It is for Country Offices to decide which data sets most appropriately illustrate the context under each sub-heading. However, there is a mandatory set of “core” indicators, also listed in Tables 3 - 5, which should be included in all CGAs. When identifying relevant data sources DFID offices may consider consulting national stakeholders to review the range and quality of information available, assess credibility and potential impact of publishing the data.

7.3 All data sources must be given proper citation as endnotes using the Harvard Reference System. For documents, the citation should follow the following format: Author's surname, initial, year of edition used, title of document (in italics), place of publication, publisher. For electronic sources, the citation should follow the following format: Author's surname, initial, date of document, title of document (in italics), <web address>, date accessed.

7.4 Information should be grouped in terms of State Capability, Accountability and Responsiveness and ordered within the common sub-headings given below to allow for consistency in reporting. Country Offices should aim to offer between two and six ‘data points’ under each sub-heading. For example on ‘Political Freedom and Rights’ a Country Office may consider providing data from the World Bank Institute ‘Governance Matters’ indicator set on Voice and Accountability, an extract from the narrative report from Freedom House and an extract from a local national perception study.

7.5 If needed, this Section should also refer to data documenting the ‘spill over’ effects of poor governance in neighbouring countries, and regional and international governance data sources that are relevant to governance in the country, especially when identifying the causes of conflict and insecurity. Public data sources might include international and

regional codes and standards, the number of migrants, refugees and internally displaced people taken from UNHCR Statistical Yearbook Country Data Sheets (<http://www.unhcr.org>), International Crisis Group reports (<http://www.crisisgroup.org/home/index.cfm>) or Economist Intelligence Unit reports ([www.eiu.com](http://www.eiu.com)).

7.6 It is understood that data points may not always be available, especially in fragile states, or may not reflect the *experience* of governance fully, in particular for specific groups, such as marginalised communities or neglected regions. In some contexts where information may not be available or credible, Country Offices may want to note the absence of information and consider whether in their forward work programme this can be addressed.

**Table 3: State capability core data sources**

	<b>Suggested international data sources (* in bold are mandatory)</b>
<b>Political Stability and Personal Security</b>	<p>* <b>Political Stability – World Bank Institute (WBI) Worldwide Governance Indicators</b> <a href="http://info.worldbank.org/governance/kkz2005/">http://info.worldbank.org/governance/kkz2005/</a></p> <p>Stateness – Bertelsmann Transformation Index (BTI) <a href="http://www.bertelsmann-transformation-index.de/28.0.html?&amp;L=1">http://www.bertelsmann-transformation-index.de/28.0.html?&amp;L=1</a></p> <p>FAST dataset – Swisspeace <a href="http://www.swisspeace.org/fast/products.htm">http://www.swisspeace.org/fast/products.htm</a></p> <p>UNOCHA country reports on Internally Displaced People <a href="http://www.internal-displacement.org/">http://www.internal-displacement.org/</a></p> <p>UNHCR statistical yearbook on refugees <a href="http://www.unhcr.org/statistics/">http://www.unhcr.org/statistics/</a></p>
<b>Economic and Social Policy Management Capability</b>	<p>* <b>Economic Management – World Bank’s ‘International Development Association Resource Allocation Index’ (IRAI) formerly Country Policy and Institutional Assessment (CPIA) Cluster A and Sub-Indicators 1, 2 and 3</b> <a href="http://web.worldbank.org/WBSITE/EXTERNAL/EXTABOUTUS/IDA/0,,contentMDK:20933600~pagePK:51236175~piPK:437394~theSitePK:73154,00.html">http://web.worldbank.org/WBSITE/EXTERNAL/EXTABOUTUS/IDA/0,,contentMDK:20933600~pagePK:51236175~piPK:437394~theSitePK:73154,00.html</a> (2005); <a href="http://siteresources.worldbank.org/IDA/Resources/2004CPIAweb1.pdf">http://siteresources.worldbank.org/IDA/Resources/2004CPIAweb1.pdf</a> (2004); <a href="http://siteresources.worldbank.org/IDA/Resources/Quintiles2003CPIA.pdf">http://siteresources.worldbank.org/IDA/Resources/Quintiles2003CPIA.pdf</a> (2003); <a href="http://siteresources.worldbank.org/IDA/Resources/Quintiles2002CPIA.pdf">http://siteresources.worldbank.org/IDA/Resources/Quintiles2002CPIA.pdf</a> (2002)</p> <p>Inflation, Interest and Exchange Rates – World Development Indicators <a href="http://ddp-ext.worldbank.org/ext/DDPQQ/member.do?method=getMembers&amp;userid=1&amp;queryId=6">http://ddp-ext.worldbank.org/ext/DDPQQ/member.do?method=getMembers&amp;userid=1&amp;queryId=6</a> or <a href="http://devdata.worldbank.org/dataonline/old-default.htm">http://devdata.worldbank.org/dataonline/old-default.htm</a></p>
<b>Government Effectiveness and Service Delivery</b>	<p>* <b>Government Effectiveness – WBI Worldwide Governance Indicators</b> see above for web links</p> <p>* <b>Quality of Public Administration – IRAI Cluster D: Public Sector Management and Institutions Sub-Indicator 15</b> see above for web links</p> <p>* <b>Infant, child and/or maternity mortality; immunization rates – WHO</b> <a href="http://www3.who.int/whosis/core/core_select.cfm">http://www3.who.int/whosis/core/core_select.cfm</a> or World Development Indicators see above for web links</p> <p>* <b>Education share of the budget; primary share of education budget; primary and/or primary completion; gender parity - World Development Indicators</b> <a href="http://devdata.worldbank.org/edstats/query/default.htm">http://devdata.worldbank.org/edstats/query/default.htm</a></p>
<b>Revenue Mobilization and Public Financial Management</b>	<p>* <b>Quality of budget &amp; financial management – IRAI Cluster D: Public Sector Management and Institutions Sub-Indicator 13</b> see above for web links</p> <p>* <b>Tax revenue as % of GDP – World Development Indicators</b> see above for web links</p> <p>Efficiency of Revenue Mobilization – IRAI Cluster D: Public Sector Management and Institutions Sub-Indicator 14 see above for web links</p> <p>Public Expenditure and Financial Accountability (PEFA) <a href="http://www.pefa.org/">http://www.pefa.org/</a></p>
<b>Conditions for Investment, Trade and Private Sector Development</b>	<p>Stock of FDI as a ratio of GDP – World Development Indicators see above for web links</p> <p>Structural policies – IRAI Cluster B Sub-Indicators 4 and 5 see above for web links</p> <p>Property Rights and Rule-based Governance – IRAI Cluster D Sub-Indicator 12 see above for web links</p> <p>Investment Climate Surveys – World Bank <a href="http://www.enterprisesurveys.org/">http://www.enterprisesurveys.org/</a></p>

**Table 4: Accountability core data sources**

	<b>Suggested international data sources (* in bold are mandatory)</b>
<b>Political Freedom and Rights</b>	<p>* <b>Voice and Accountability – World Bank Institute (WBI) Worldwide Governance Indicators</b> <a href="http://info.worldbank.org/governance/kkz2005/">http://info.worldbank.org/governance/kkz2005/</a></p> <p>Stateness – Bertelsmann Transformation Index (BTI) <a href="http://www.bertelsmann-transformation-index.de/28.0.html?&amp;L=1">http://www.bertelsmann-transformation-index.de/28.0.html?&amp;L=1</a></p> <p>Cingranelli-Richards (CIRI) Human Rights Dataset <a href="http://ciri.binghamton.edu/">http://ciri.binghamton.edu/</a></p> <p>Political Rights – Freedom House <a href="http://www.freedomhouse.org">http://www.freedomhouse.org</a></p> <p>World Values Survey <a href="http://www.worldvaluessurvey.org/">http://www.worldvaluessurvey.org/</a></p>
<b>Transparency and Media</b>	<p>* <b>Media – Freedom House</b> <a href="http://www.freedomhouse.org">http://www.freedomhouse.org</a></p> <p>Worldwide Press Freedom Index and regional and country reports - Reporters Without Borders <a href="http://rsf.org">http://rsf.org</a></p> <p>Global Integrity Index and country reports – Global Integrity <a href="http://www.globalintegrity.org/reports/2006/index.cfm">http://www.globalintegrity.org/reports/2006/index.cfm</a></p> <p>Country reports and various findings – World Governance Assessment (WGA) <a href="http://www.odi.org.uk/wga_governance/Findings.html">http://www.odi.org.uk/wga_governance/Findings.html</a></p>
<b>Political Participation and Checks</b>	<p>* <b>Regime Characteristics – Polity IV Country Reports 2003</b> <a href="http://www.cidcm.umd.edu/polity/country_reports/report.htm">http://www.cidcm.umd.edu/polity/country_reports/report.htm</a></p> <p>* <b>Women in Parliament – International Parliamentary Union (IPU)</b> <a href="http://www.ipu.org/wmn-e/classif.htm">http://www.ipu.org/wmn-e/classif.htm</a></p> <p>Country Reports – Bertelsmann Transformation Index (BTI) <i>see above for web links</i></p> <p>Country Reports – International Institute for Democracy and Elections (IDEA) <a href="http://www.idea.int/regions/index.cfm">http://www.idea.int/regions/index.cfm</a> and <a href="http://archive.idea.int/ideas_work/index_countries.htm">http://archive.idea.int/ideas_work/index_countries.htm</a></p> <p>Survey results - Afro-Barometer <a href="http://www.afrobarometer.org/">http://www.afrobarometer.org/</a></p>
<b>Rule of Law and Access to Justice</b>	<p>* <b>Rule of Law – World Bank Institute (WBI) Worldwide Governance Indicators</b> <i>see above for web links</i></p> <p>Rule of Law – Bertelsmann Transformation Index (BTI) <i>see above for web links</i></p> <p>Property Rights and Rule-based Governance – IRAI Cluster D Sub-Indicator 12 <a href="http://web.worldbank.org/WBSITE/EXTERNAL/EXTABOUTUS/IDA/0,,contentMDK:20933600~pagePK:51236175~piPK:437394~theSitePK:73154,00.html">http://web.worldbank.org/WBSITE/EXTERNAL/EXTABOUTUS/IDA/0,,contentMDK:20933600~pagePK:51236175~piPK:437394~theSitePK:73154,00.html</a> (2005); <a href="http://siteresources.worldbank.org/IDA/Resources/2004CPIAweb1.pdf">http://siteresources.worldbank.org/IDA/Resources/2004CPIAweb1.pdf</a> (2004); <a href="http://siteresources.worldbank.org/IDA/Resources/Quintiles2003CPIA.pdf">http://siteresources.worldbank.org/IDA/Resources/Quintiles2003CPIA.pdf</a> (2003); <a href="http://siteresources.worldbank.org/IDA/Resources/Quintiles2002CPIA.pdf">http://siteresources.worldbank.org/IDA/Resources/Quintiles2002CPIA.pdf</a> (2002)</p> <p>Judiciary – World Governance Assessment (WGA) <a href="http://www.odi.org.uk/wga_governance/Judiciary.html">http://www.odi.org.uk/wga_governance/Judiciary.html</a></p>
<b>Civil Society</b>	<p>Civil Society Index Country Reports – CIVICUS <a href="http://www.civicus.org/">http://www.civicus.org/</a></p> <p>Various – World Values Survey <a href="http://www.worldvaluessurvey.org/">http://www.worldvaluessurvey.org/</a></p> <p>Civil Society – World Governance Assessment (WGA) <a href="http://www.odi.org.uk/wga_governance/Civil.html">http://www.odi.org.uk/wga_governance/Civil.html</a></p>

**Table 5: Responsiveness core data sources**

	<b>Suggested international data sources (* in bold are mandatory)</b>
<b>Human Rights and Civil Liberties</b>	<p>* <b>Civil Liberties – Freedom House</b> <a href="http://www.freedomhouse.org">http://www.freedomhouse.org</a></p> <p>Human Rights Indicators and Country Reports - Danish Institute of Human Rights <a href="http://www.humanrights.dk/frontpage/">http://www.humanrights.dk/frontpage/</a></p> <p>Cingranelli-Richards (CIRI) Human Rights Dataset <a href="http://ciri.binghamton.edu/">http://ciri.binghamton.edu/</a></p> <p>Country Reports - Human Rights Watch <a href="http://www.hrw.org">http://www.hrw.org</a></p> <p>State reports to UN Treaty Bodies <a href="http://www.ohchr.org/english/bodies/index.htm">http://www.ohchr.org/english/bodies/index.htm</a></p> <p>Country Reports - US Department of State <a href="http://www.state.gov/g/drl/hr/c1470.htm">http://www.state.gov/g/drl/hr/c1470.htm</a></p>
<b>Pro-Poor Policy</b>	<p>* <b>Equity of Public Resource Use – IRAI Cluster C: Policies for Social Inclusion / Equity Sub-Indicator 8</b> <a href="http://web.worldbank.org/WBSITE/EXTERNAL/EXTABOUTUS/IDA/0,,contentMDK:20933600~pagePK:51236175~piPK:437394~theSitePK:73154,00.html">http://web.worldbank.org/WBSITE/EXTERNAL/EXTABOUTUS/IDA/0,,contentMDK:20933600~pagePK:51236175~piPK:437394~theSitePK:73154,00.html</a> (2005); <a href="http://siteresources.worldbank.org/IDA/Resources/2004CPIAweb1.pdf">http://siteresources.worldbank.org/IDA/Resources/2004CPIAweb1.pdf</a> (2004); <a href="http://siteresources.worldbank.org/IDA/Resources/Quintiles2003CPIA.pdf">http://siteresources.worldbank.org/IDA/Resources/Quintiles2003CPIA.pdf</a> (2003); <a href="http://siteresources.worldbank.org/IDA/Resources/Quintiles2002CPIA.pdf">http://siteresources.worldbank.org/IDA/Resources/Quintiles2002CPIA.pdf</a> (2002)</p> <p>* <b>Social Protection &amp; Labour – IRAI Cluster C: Policies for Social Inclusion / Equity Sub-Indicator 10</b> <i>see above for web links</i></p> <p>Expenditure on health and education – World Development Indicators <a href="http://ddp-ext.worldbank.org/ext/DDPQQ/member.do?method=getMembers&amp;userid=1&amp;queryId=6">http://ddp-ext.worldbank.org/ext/DDPQQ/member.do?method=getMembers&amp;userid=1&amp;queryId=6</a> or <a href="http://devdata.worldbank.org/dataonline/old-default.htm">http://devdata.worldbank.org/dataonline/old-default.htm</a></p>
<b>Inequality, Discrimination and Gender Equality</b>	<p>* <b>Policies for Social Inclusion/Equity– IRAI Cluster C: Policies for Social Inclusion / Equity and Sub-Indicator 7</b> <i>see above for web links</i></p> <p>UNDP Gender Empowerment Measure <a href="http://hdr.undp.org/hdr2006/statistics/indicators/230.html">http://hdr.undp.org/hdr2006/statistics/indicators/230.html</a> (2006); <a href="http://hdr.undp.org/statistics/data/pdf/hdr05_table_26.pdf">http://hdr.undp.org/statistics/data/pdf/hdr05_table_26.pdf</a> (2005); <a href="http://hdr.undp.org/reports/global/2004/pdf/hdr04_HDI.pdf">http://hdr.undp.org/reports/global/2004/pdf/hdr04_HDI.pdf</a> (2004) etc.</p> <p>OECD DAC Gender, Institutions and Development Index <a href="http://www.oecd.org/document/23/0,2340,en_2649_34541_36225815_1_1_1_1,00.html">http://www.oecd.org/document/23/0,2340,en_2649_34541_36225815_1_1_1_1,00.html</a></p> <p>Minorities at Risk <a href="http://www.cidcm.umd.edu/inscr/mar/data.asp">http://www.cidcm.umd.edu/inscr/mar/data.asp</a></p>
<b>Regulatory Quality</b>	<p>Regulatory Quality – World Bank Institute (WBI) Worldwide Governance Indicators <a href="http://info.worldbank.org/governance/kkz2005/">http://info.worldbank.org/governance/kkz2005/</a></p> <p>Business Regulatory Environment – IRAI Cluster B: Structural Policies Sub-Indicator 6 <i>see above for web links</i></p> <p>Doing Business – World Bank <a href="http://www.doingbusiness.org/">http://www.doingbusiness.org/</a></p> <p>Firm surveys – World Bank <a href="http://www.enterprisesurveys.org/">http://www.enterprisesurveys.org/</a></p>
<b>Corruption and Integrity</b>	<p>* <b>Control of Corruption – World Bank Institute (WBI) Worldwide Governance Indicators</b> <i>see above for web links</i></p> <p>* <b>Corruption Perception Index – Transparency International</b> <a href="http://www.transparency.org/policy_research/surveys_indices/cpi">http://www.transparency.org/policy_research/surveys_indices/cpi</a></p> <p>Corruption – Bertelsmann Transformation Index (BTI) <a href="http://www.bertelsmann-transformation-index.de/28.0.html?&amp;L=1">http://www.bertelsmann-transformation-index.de/28.0.html?&amp;L=1</a></p> <p>Global Integrity Index and country reports – Global Integrity <a href="http://www.globalintegrity.org/reports/2006/index.cfm">http://www.globalintegrity.org/reports/2006/index.cfm</a></p> <p>Public Expenditure and Financial Accountability (PEFA) <a href="http://www.pefa.org/">http://www.pefa.org/</a></p>

7.7 **Section C: Analysis of Data:** This section will present a short analysis and interpretation of the data on State Capability, Accountability and Responsiveness presented in Section B, with particular attention given to trends in governance, including the causes of conflict and insecurity. The analysis should be balanced, and based on the outcome of country processes and consultation as appropriate. It will make a clear link to the data set out in Section B and the history, economic, social and political context as outlined in Section A.

7.8 In some cases, governance data sources may not definitively identify trends except over many years, even decades. Yet in many cases, events in one year will change the context for governance in a country. These events can mark fundamental "jump shifts" in governance.

7.9 The importance of interpreting long term governance trends comes to fore when an 'event' in a country needs to be understood in historical and political context. The analysis should therefore focus on direction of travel in governance retrospectively (twenty, five and one year). Within this broad range Country Office may select periods that best suit their context.

7.10 This section should also focus on the prognosis and risks in so far as this is possible from an analysis of the data sources in Section B. This could look forward one year for unstable or changing contexts, three to four years for CAPs and ten years for DPAs. Risks could include latent conflict or the prospect of actual conflict suggested by indicators of territorial insecurity, poor conflict management capability, large numbers of migrants and/or internally displaced people, unresolved grievances between communities and general political instability. The prospective forecast could also try to identify milestones and forward looking political risk indicators that the Country Office intends to monitor in the future and that future CGAs will revisit.

7.11 It is important that governance data sources are selected and interpreted with care. In particular, three 'golden rules' are suggested:

- understand what the indicators are actually measuring and their sources;
- recognise that indicators are just that – indicators; and
- use a variety of indicators to 'triangulate' and cross-check (i.e. do not just use one)

7.12 For further guidance on using governance indicators, see: UNDP/EU 2004 handbook - Governance Indicators: A Users' Guide. Other useful guidance is listed in Annex 4.

7.13 **Section D: Country dialogue and engagement:** This section should set out existing joint agreements, dialogue processes and working relationships at the local, national, and regional level if relevant, between DFID, other donors, government and civil society on governance issues. It should then outline DFID's longer-term strategic aims within its governance programme.

7.14 **Section E: Implications for DFID:** This section needs to consider the following country programme implications:

- a) How we will support governance reforms
- b) Which aid instruments we will use and the appropriate mix
- c) Governance risks to the three partnership agreements underpinning the country programme

7.15 This section will assess how far the partner government's programme of governance reform or development is adequate to meet the challenges identified as a result of this analysis. It will also consider if initiatives by non-government organisations and other stakeholders are helping to meet the key challenges. DFID country programming should be based on an understanding of the partner country government's strategy. If there are gaps in it, this section will outline the feasibility and risks of influencing government to incorporate necessary reforms in their own policy agenda and, failing that, the feasibility and risks of pursuing necessary reforms that are not part of the partner country government's agenda. In addition to considering government led reforms, it will consider what DFID might be do as part of its country programming to support the demand side of governance – e.g. direct support to media and civil society.

7.16 This section will also highlight what implications the CGA has for DFID's thinking on resource allocation, and choice of aid instrument. For example, we should consider whether general budget support is appropriate to the context, and the most suitable mix of aid instruments to provide. We may want to combine financial aid instruments with technical cooperation and policy dialogue to strengthen public financial management or to support domestic accountability.

7.17 The CGA will help to identify key governance risks to the three partnership agreements underpinning the country programme. In particular, the CGA will form the basis for DFID's periodic assessment of the government's commitment to respecting human rights and other international obligations. The CGA will also provide much useful analysis (but not complete) to inform our periodic assessment of the commitment to poverty reduction and the MDGs, and to strengthened financial management and accountability.

7.18 However, it is important to note again that the CGA is not the place to make a *judgement* on partner country government's commitment to the three partnership commitments of HMG's conditionality policy. The CGA will not constitute a fourth pillar of our conditionality policy. As the Draft How to Note on implementing DFID's conditionality policy notes, we should carry out periodic assessment of commitment to the three partnership areas to judge progress. The CAP will bring together the analysis from the CGA and draw on wider analysis of the commitment to the three partnership areas, to identify conditionality assessment implications for the country programme and to record that our aid is based on the three partnership commitments with the government. See the Draft How-To Note on implementing DFID's conditionality policy for further information.

# ANNEX 1: Questions you might want to ask

Annex 1 provides a list of suggested generic and broad brush questions about aspects of governance. Country Offices may find it useful to refer to these when initiating a discussion on key trends in state capability, accountability and responsiveness.

Country Offices could select a few questions under each sub-heading and discuss their relevance and importance amongst staff and other interlocutors in country. They could adapt them to suit the historical, regional, economic, social and political starting point and context. These could then be used to kick start discussions on governance trends.

Please note that this list is not exhaustive, mandatory or appropriate for every context. Country Offices can also contact teams suggested in Annex 4 for further advice and fuller sets of suggested questions.

**Table 1: Questions you might want to ask about state capability**

<b>Political Stability and Personal Security</b>
<ul style="list-style-type: none"><li>○ How far does the state respect international law and its obligations, and to what extent is there agreement on state boundaries and on constitutional arrangements?</li><li>○ To what extent are the rights of citizenship enjoyed by all who live within the state, including those who could be excluded by virtue of identity – gender, ethnicity, language, religion, age, disability, location and others*?</li><li>○ To what extent is there a history of conflict in the region and to what extent has the state been affected by or contributed to regional stability and instability (including violent conflict, trans-national organised crime, terrorism)?</li><li>○ To what extent are ruling elites and state institutions, policies and procedures representative, inclusive, and accountable to all, including groups that might be excluded on the basis of their identity?</li><li>○ How far do the state administrative, political and security functions extend to the entire country, to what extent are there or have there been groups (including armed groups) challenging the authority of the state and to what extent are state administrative, political and security functions implemented in a lawful and accountable manner?</li><li>○ To what extent are formal and informal mechanisms effective in the peaceful resolution of</li></ul>

\* All further references to identity should be taken to refer to gender, ethnicity, language, religion, age, disability, location and any other differentiating markers of identity.

disputes and management of conflicts?

- To what extent are individuals and groups safe, and their property secure, and do they feel safe and secure enough to engage in normal livelihood activities? Where there is insecurity, is the state able to respect, protect and fulfil the human rights of people including the poor, refugees, internally displaced people and those who could be excluded by virtue of identity?
- How far are state institutions (for example army, paramilitary, intelligence, police) able to guarantee national and personal security in an effective, affordable and democratically accountable manner and how free is the political and judicial system from military interference?

### **Economic and Social Policy Management Capability**

- To what extent is there a vision and political commitment to economic development and poverty reduction?
- To what extent is the state able to maintain a monetary/exchange rate policy with clearly defined price stability objectives? To what extent is the state able to maintain a short and medium-term domestic and external balance (under the current and foreseeable external environment)?
- To what extent is the state able to achieve or maintain debt sustainability?
- To what extent does the state effectively promote technological adaptation and innovation? Are politically powerful vested interests entrenched around uncompetitive industries?
- To what extent does the state have the ability to maintain sound policies on health education and social protection? To what extent is economic and social policy formulated and implemented in a participatory and inclusive manner, especially with respect to the poor and those who could be excluded by virtue of identity?
- How adequate are the systems for recording and monitoring economic and social performance, to disaggregate that data, and to what extent is data accurate and publicly available?
- Can the government ensure protection of the environment (e.g. deforestation)?

### **Government Effectiveness and Service Delivery**

- To what extent does capacity exist with the government to respect, protect and fulfil human rights and to what extent can this be assessed?
- How well is central and local government organised, resourced and able to ensure the basic necessities of life (such as adequate food, shelter and clean water, especially in times of emergency) and adequate public services, for all, especially the poor and those who could be excluded by virtue of identity?
- How effective and efficient are government procurement systems and are they capable of providing service delivery in a timely and costs effective manner?
- To what extent are essential public services (health, education, infrastructure, security) being delivered and (perceived to be) accessible to all, including regions, the poor and groups that might be excluded by virtue of their identity?

- How far are service users, especially the poor and those who could be excluded by virtue of identity, involved in the planning, provision and evaluation of public services?
- To what extent are poor people required to pay for basic services and how effective are special exemption arrangements for the very poorest and most vulnerable?
- To what extent does government regularly meet its obligations to pay public sector and welfare payments?
- To what extent is government capable of measuring its effectiveness, especially in relation to the delivery of services to the poorest and most vulnerable, and then adjusting its policies and practices?

#### **Revenue Mobilization and Public Financial Management**

- How adequate, effective and equitable are the government's tax and revenue raising procedures and how appropriate are they to a poverty reduction strategy?
- Is the government able to manage public finances and put their policies into practice effectively and transparently?
- How effective is the state at ensuring that the revenues from natural resources are under the state's regulatory control?
- Is timely and accurate data on revenue and public financial expenditure available and accessible?
- To what extent can public expenditure and revenue be adjusted to absorb shocks if necessary?
- How effective is the government's budgetary system in relating budget allocations to policy priorities and to the rights and needs of poor people?

#### **Conditions for Investment, Trade and Private Sector Development**

- To what extent does the state create conditions that help attract investment needed for improving productivity and international competitiveness? Are these for the benefit of all?
- How well is government organised and resourced to ensure the freedom to trade and engage in economic activity and to secure the means to work especially for those who could be excluded by virtue of identity?
- To what extent does the state have the ability to ensure a stable financial sector? How vulnerable is the banking sector to shocks (such as currency collapse or socio-political jolts for example)?
- To what extent do the political structures, policies and institutions create effective 'coalitions for growth' among key political and economic interest groups?
- To what extent does public spending avoid crowding out private investment?
- To what extent does the legal system protect property rights, including for the poorest and for women, and enforce contracts?
- What proportion of the population and the private sector (including SMEs) has access to

efficient financial services such as bank accounts or loans?

**Table 2: Questions you might want to ask about accountability**

<b>Political Freedom and Rights</b>
<ul style="list-style-type: none"> <li>○ How effective is government in ensuring that all citizens, including poor women and men, and those who could be excluded by virtue of identity, are well-informed about their political freedoms and rights?</li> <li>○ To what extent is there freedom of movement, expression, association and assembly?</li> <li>○ How free are voluntary associations and activist organisations to operate under the law and independently from government?</li> <li>○ How extensive is public participation, especially by the poor and those who could be excluded by virtue of identity, in voluntary associations, self management organisations, political parties, trade unions, religious groups and other voluntary public activity?</li> <li>○ To what extent do formal political parties with written constitutions and clearly-articulated political programmes exist?</li> <li>○ How freely are parties and other representative associations able to form, recruit members and campaign for office?</li> <li>○ How effective is the party system in forming and sustaining governments in office?</li> <li>○ How free are opposition and non-governing parties and associations to organise within the legislature and how effectively do they contribute to government accountability?</li> </ul>
<b>Transparency and Media</b>
<ul style="list-style-type: none"> <li>○ How pluralistic is media ownership (print, broadcast, internet), and how independent are the domestic media (financially and editorially) from national and foreign governments, political parties and multi-national corporations?</li> <li>○ How representative are the media of different opinions and how accessible are they to different sections of society, including poor people and those who could be excluded by virtue of identity including language?</li> <li>○ To what extent do in-country media shape values, attitudes, opinions and behaviours in all segments of society, and where do ordinary citizens get information on national news, society and culture?</li> <li>○ How effective are the media and other independent bodies in investigating government and powerful corporations?</li> <li>○ How far does reporting of public and political events (such as elections) by the media remain within acceptable bounds of accuracy and balance, and to what extent are there any self-regulating media bodies that are responsible for a code of ethics and sanctions?</li> <li>○ How comprehensive and effective are legislation and freedom of information provisions in giving</li> </ul>

the legislature, citizens and media access to government information and to what extent does the government monitor and control internet access?

- Does the government take pro-active measures to publish and disseminate widely documents of significant public interest, meet requests for information positively (including affordability, speed, etc), and protect whistle-blowers under law?
- To what extent is the right to freedom of expression recognised and protected under law and in practice (for example how free are journalists from restrictive laws, intimidation, harassment and violence?)

### **Political Participation and Checks**

- How free are people to demand and achieve a change in the governing regime? To what extent have changes in the governing regime resulted from popular demands?
- How inclusive and accessible for all citizens are registration and balloting or voting procedures, how independent are they of state and/or party control, and how free from intimidation and abuse?
- How fair are the procedures for the registration of political groupings and electoral candidates, and how far is there fair access for political aspirants to the media and other forms of communication with citizens?
- To what extent does political power ultimately reside (formally and informally) with elected officials?
- How equal is the access for all people, especially the poor and those who could be excluded by virtue of identity, to political life and public office at all levels? How significant are the gender disparities in political participation at all levels? To what extent are laws and policies supportive of women's participation in national government? To what extent does it make a difference?
- How extensive and effective are the powers of the legislature to initiate, scrutinise and amend legislation and to scrutinise the executive and executive-appointed agencies and hold them publicly to account?
- How effective are control and oversight mechanisms in holding the government accountable for its use of public funds?
- To what extent is the private sector involved in the processes of political accountability?

### **Rule of Law and Access to Justice**

- To what extent are all persons and institutions (public and private), including the state itself, accountable to laws that are publicly promulgated, equally enforced and independently adjudicated and which are consistent with international human rights?
- How equal, secure and affordable is the access of people, especially poor and vulnerable groups, to justice and due process?
- How effective and accessible are the channels available to citizens to gain redress in the event

<p>of maladministration by government and other public bodies (e.g. courts, ombudsman)?</p> <ul style="list-style-type: none"> <li>○ How independent are the courts and judiciary from the executive, how free are they from improper interference and corruption, are they properly resourced and do they deliver fair, speedy and non-discriminatory decisions?</li> <li>○ To what extent are the police free from corruption and publicly accountable for their activities both nationally and to local communities?</li> <li>○ To what extent is the penal system free from overcrowding and abuse and are there effective alternatives to imprisonment?</li> <li>○ How effective, fair and accountable are informal or non-state security and justice systems, especially for the poor, women and those who could be excluded or discriminated against by virtue of identity?</li> <li>○ Is there effective provision of legal and paralegal services for the poor and vulnerable and civil society initiatives to hold government to account through strategic public interest litigation?</li> </ul>
<p><b>Civil Society</b></p>
<ul style="list-style-type: none"> <li>○ To what extent does civil society represent the needs of the general population and in particular those who might be excluded by virtue of their identity?</li> <li>○ To what extent does the regulatory environment enable civil society to function effectively and independently?</li> <li>○ How accountable are civil society organisations to their members or ‘constituents’ and how participatory and inclusive are its decision making processes?</li> <li>○ To what extent does civil society facilitate links between government and citizens and increase the involvement of excluded people?</li> <li>○ To what extent is civil society able and willing to hold state and private corporations accountable and to influence public policy?</li> <li>○ To what extent are those in power able to hold civil society to account through formal and informal means?</li> <li>○ To what extent is civil society able and willing to respond to social interests, empower citizens, influence public perceptions and meet societal needs, including those of excluded groups?</li> <li>○ To what extent is there a fragmentation of civil society along identity group lines and to what extent are civil society groups involved in inciting discrimination against particular minorities or selected groups (as evidenced in ‘hate radio’ or nationalistic political rhetoric)?</li> </ul>

**Table 3: Questions you might want to ask about responsiveness**

<p><b>Human Rights and Civil Liberties</b></p>
<ul style="list-style-type: none"> <li>○ To what extent does the state respect, protect and fulfil human rights, in line with international standards and obligations, and ensure there is no impunity for violations of human rights by state</li> </ul>

<p>agents? How well does government report on its international commitments to human rights, including gender discrimination?</p> <ul style="list-style-type: none"> <li>○ To what extent are human rights incorporated into the national legal framework and formal policy commitments?</li> <li>○ How effective are redress and accountability mechanisms for achieving the respect, protection and fulfilment of human rights?</li> <li>○ To what extent is the government taking steps to make progress on providing the economic and social rights of their citizens, including the right to food, shelter, health and education?</li> <li>○ To what extent do independent human rights institutions play a meaningful public role?</li> <li>○ To what extent does government promote rights awareness and attitudinal change as well as reform of legislation and policies? To what extent do education curricula, text books, media and other communications seek to build respect for the human rights of all citizens, including the poorest and those who could be excluded by virtue of identity?</li> <li>○ To what extent does the government protect human rights, or condone or actively encourage violations of human rights by state agents?</li> <li>○ To what extent are policies that promote cultural rights of all citizens, including the poorest and those who could be excluded by virtue of identity, enacted and implemented?</li> </ul>
<p><b>Pro-Poor Policy</b></p>
<ul style="list-style-type: none"> <li>○ To what extent is poverty reduction an explicit policy priority and how effectively is the policy decided, implemented and monitored in practice?</li> <li>○ To what extent is policy based on socially disaggregated evidence?</li> <li>○ How much confidence do the poor have in the ability of the government to help solve their problems and in their own ability to influence it?</li> <li>○ Are there ways for all people, including the poor and other people who could be excluded by virtue of identity, to say what they think and need and to participate as full and active citizens?</li> <li>○ Is the government implementing policies that meet the rights, needs and interests of the poor and expand economic opportunities of all groups?</li> <li>○ Are public finances used to benefit the poor – for example to promote progressive redistribution, encourage growth and provide services?</li> <li>○ Are public goods and services provided in ways that reduce discrimination and allow all citizens – including women, disabled people and ethnic minorities – to benefit?</li> </ul>
<p><b>Inequality, Discrimination and Gender Equality</b></p>
<ul style="list-style-type: none"> <li>○ To what extent is inequality differentiated by gender, ethnicity, religion and/or geographic location?</li> <li>○ To what extent do policies and practices of the government, civil society and the private sector directly or indirectly discriminate on the basis of class, gender, age, ethnicity, race, disability and/</li> </ul>

or other social status?

- To what extent are public goods and services provided in ways that recognise, address and reduce discrimination and allow all citizens – and including women, disabled people and ethnic minorities – to benefit?
- How significant are gender disparities in the participation of women in the labour force, politics, business ownership, land tenure, property ownership, and inheritance practices?
- To what extent and in what ways are these disparities supported or challenged by the law?
- To what extent does the law give men and women different individual and family rights (for example when requesting a divorce, securing child custody, or obtaining individual identity cards or a passport)?
- To what extent is violence against women (including such practices as female genital mutilation, trafficking and/or sexual harassment) common and how far do policies, institutions or programs aimed at decreasing violence against women exist?

### **Regulatory Quality**

- How well does the regulatory framework respond to public interest while promoting efficient economic activity?
- To what extent does the regulatory system make entry and exit of firms difficult and costly?
- To what extent does the regulatory system make running a business difficult and costly (licensing, permits, inspections, and other compliance systems)?
- To what extent is property easy to buy, register and sell?
- To what extent does the legal and regulatory framework support access to finance by the population and the private sector (including SMEs)?
- To what extent does the regulatory environment support fair competition within business activity?
- Does the regulatory framework support basic environmental and labour standards?

### **Corruption and Integrity**

- To what extent is there a demonstrable commitment on the part of government to tackle corruption (for example, through anti-corruption legislation, and / or prosecutions and convictions of public servants) and how effective are its procedures for tackling it?
- How effective are procedural and legal requirements, if they exist at all, for public servants to declare conflicts of interest, and to what extent is there evidence of abuse and / or action taken to reduce this?
- To what extent are public officials recruited on the basis of merit and how do remuneration levels for public officials compare with other professions and the private sector?
- To what extent is influence of business and other sectional interests over public policy subject to clear and open rules and procedures?
- To what extent does public procurement follow clear and open rules and procedures, with

government contracts awarded on the basis of free and open competition rather than deliberate corrupt practice?

- What is the general public perception on the levels of corruption prevalent in the public sector including local municipalities, central government institutions, the police and judiciary, education and health, utility service providers?

## Annex 2: Useful international governance analyses

This Annex sets out brief descriptions of some of the key international analyses, diagnostics and assessments produced by other agencies and donor partners which may be available for reference and discussion during the preparation of a Country Governance Analysis. This list is not exhaustive and will be updated periodically.

1. The World Bank produces country specific assessments on governance, obtainable from country staff, as well as more [in depth analyses focused on particular aspects of governance](#). The most up to date and relevant of these include:
  - [Corporate governance country assessments](#) of countries' corporate governance framework and company practices;
  - [Doing Business](#) reports on the ease of doing business and reforms in this area;
  - [Highly Indebted Poor Countries \(HIPC\) Assessments and Action Plans](#) which evaluate 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;
  - [The Public Expenditure Management Toolkit](#) aims to provides an approach for assessing public expenditure institutional (rules of the game) arrangements. It focuses on the three levels of expenditure outcome: aggregate fiscal discipline; strategic and inter-sectoral allocations; and operational efficiency and service delivery. It starts from an assessment of the problems that poor performance might be generating. This can lead to subsequent institutional assessments probing the location of weaknesses, often associated with a lack of comprehensiveness, transparency, and predictability and poor links between policy, planning and the budget. These can indicate where more detailed work might be undertaken to investigate the

arrangements for supporting strategic political decision-making or when further expenditure tracking work might be necessary to assess leakage.

2. [European Union \(EU\) Governance Profiles](#) (GPs) in African, Caribbean and Pacific (ACP) States aim to provide a qualitative, extensive and detailed assessment to help identify the main constraints in governance related areas, agree on benchmarks and targets for reform, and help to assess the extent to which commitments undertaken by partner country are relevant, ambitious and credible. This is intended to support EU programming in country and determine allocation of an ‘incentive tranche’ of additional funding from the EU. Further details on the GP and methodological details can be found in [‘Governance Profile and Incentive Tranche’](#) and [‘Governance Profile Explanatory Note’](#).
3. The Netherlands Track Record Instrument is an assessment framework that determines what level of alignment is feasible in a partner country and subsequently assesses whether the aid modalities that a mission wants to deploy satisfy the criteria that correspond to this level of alignment. The track record contains the conclusions and ratings of the different underlying policy areas conducted by the mission as a whole (development cooperation, economy and trade, policy and financial management) compared with the World Bank’s ‘International Development Association Resource Allocation Index’ (IRAI) formerly Country Policy and Institutional Assessment (CPIA).
4. The Netherlands Framework for Governance and Corruption Assessment (FGCA) is designed as a tool to facilitate the effort of the Netherlands to carry out a ‘Strategic Governance and Corruption Assessment’ (SGACA) for partner countries. The FGCA aims to provide Embassies with a practical guide to help structure and analyse existing information – a ‘quick-scan’ – that focuses on formal and informal aspects of governance in a particular context. Different tools and processes such as the Track Record (see above) inform the FGCA. Apart from formal factors, the FGCA aims to capture the informal, societal and sometimes intangible underlying reasons for the governance situation, which can often differ from what is presented by the state. Such an analysis is intended to improve the design of donor interventions, through a better understanding of what happens behind the “facade” of the state on the one hand and what really drives political behaviour on the other. The FGCA is designed to make use of available material – including from other sources and donors.

5. [African Development Bank \(AfDB\) Country Governance Profiles](#) (CGPs) are developed to identify strengths and weaknesses of governance systems in member states and to support dialogue within country. It is intended to support both the exercise of the Bank's fiduciary responsibilities and the achievement of its development objectives. For the fiduciary responsibilities the CGP, the CGP identifies the strengths and weaknesses of governance arrangements in particular areas in a country and helps in assessing the risks that these might pose to Bank funds. Concerning the development objectives, the CGP is intended to facilitate a common understanding between the member state, the bank and other development partners of the country governance arrangements in both the public and private sectors. The aim is to facilitate the design and implementation of capacity building programmes and specific reforms in member states. CGPs are in some cases complemented by other diagnostic work on financial and corporate governance.
  
6. [Asian Development Bank \(AsDB\) Toolkits for governance assessment](#) are used to 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. The toolkit includes [Country Governance Assessments](#) which assess the quality of governance for development member countries, and help to strengthen the linkage between the quality of governance and levels and composition of assistance. For details on methodology, see [A Framework For The Preparation Of Country Governance Assessments](#)
  
7. Inter-American Development Bank (IDB) Democratic Governance and Institutional Assessments (DGIAs) (*Quest Document 965350*) have been developed to assess the governance and level of institutional development of its borrowing member countries. The objective is to deepen the Bank's (and the donor community's) knowledge of its member countries in order to support the programming process and dialogue with its partners. The DGIA aims to provide a static diagnostic assessment of different attributes of democratic governance based on empirical data found in the Bank's Governance Web Interactive Tool. Based on this static assessment, a dynamic assessment is made based on the identification of historical, social, economic, and other factors that have given rise to the current state of each of the cited attributes. Finally, based on this analysis,

pertinent recommendations are generated alongside a discussion of their political, economic, and social viability.

8. [Swedish International Development Agency \(SIDA\) Power Analyses](#) are used to understand and analyse power relations at the macro level. Based on secondary literature reviews and interviews, Power Analysis aims to gain a deep understanding of the political, social, economic and cultural issues at play in a country; the power relationships between actors at the societal level and the incentives of these actors to affect or impede pro-poor change.
9. [Swedish International Development Agency \(SIDA\) Conflict Assessments](#) provide practical guidance on how to analyse violent conflicts in order to understand better how development co-operation is affected by and can affect potential or ongoing violent conflicts. The tool is aimed at helping users assess conflict risks so that strategies, programmes and projects can become more conflict sensitive.
10. Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) Governance Questionnaires (GQ) analyse the political and institutional framework of a country, including the actors and processes within a government. The GQ asks 'qualified respondents' for a personal assessment of the political context in their country.
11. [The Africa Peer Review Mechanism](#) produces country self-assessment reports including programmes of action on aspects of governance and economic development. These are compiled on the basis of a [questionnaire](#) also intended to promote national dialogue on development issues and to facilitate the evaluation of countries on the basis of the realities expressed by all stakeholders.



Annex 3: CAP countries and suggested core governance data sources

The table below shows the availability of suggested core governance data sources against CAP countries. Please note that mandatory governance data sources are not shown as these are available for all CAP countries.	RESPONSIVENESS															
	Danish Institute of Human Rights	CIRI Human Rights Dataset	HRW	State party reports to UN Treaty Bodies	US State Department	Expenditure on Social Services - WDI	UNDP Gender Empowerment Measure	DAC Gender, Institutions and Development Index	Minorities at Risk	Regulatory Quality - WBI	Business Regulatory Environment – IRAI Cluster B: Structural Policies Sub-Indicator 6	Doing business - WB	Firm Surveys - WB	Corruption - BTI	Country Reports and Data - GII	PEFA
<b>AFRICA</b>																
DRC		•	•	•	•	•	9	•	•	•	•	•	•	•		5
Ethiopia		•	•	•	•	•	9	•	•	•	•	•	•	•		5
Ghana	•	•	•	•	•	•	9	•	•	•	•	•	•	•	•	3
Kenya	•	•	•	•	•	•	9	•	•	•	•	•	•	•	•	3
Malawi	•	•	•	•	•	•	9	•	•	•	•	•	•	•		3
Mozambique	•	•	•	•	•	•	9	•	•	•	•	•	•	•		3
Nigeria	•	•	•	•	•	•	9	•	•	•	•	•	•	•	•	4
Rwanda	•	•	•	•	•	•	9	•	•	•	•	•	•	•		5
Sierra Leone	•	•	•	•	•	•	9	•	•	•	•	•	•	•		5
Tanzania	•	•	•	•	•	•	•	•	•	•	•	•	•	•		3
Uganda	•	•	•	•	•	•	9	•	•	•	•	•	•	•		3
Zambia	•	•	•	•	•	•	9	•	•	•	•	•	•	•		3
Zimbabwe	•	•	•		•	•	9	•	•	•	•	•	•	•	•	
<b>ASIA</b>																
Afghanistan	•	•	•		•	•		•	•	•		•	•	•		3
Bangladesh	•	•	•	•	•	•	•	•	•	•	•	•	•	•		3
Burma	•	•	•		•	•		•	•	•				•		
Cambodia	•	•	•	•	•	•	•	•	•	•	•	•	•	•		5
China	•	•	•	•	•	•	9	•	•	•	•	•	•	•		
India	•	•	•	•	•	•	9	•	•	•	•	•	•	•	•	
Nepal	•	•	•	•	•	•	9	•	•	•	•	•	•	•		4
Pakistan	•	•	•	•	•	•	•	•	•	•	•	•	•	•		4
Vietnam	•	•	•	•	•	•	9	•	•	•	•	•	•	•		4
<b>MIDDLE EAST</b>																
Iraq		•	•		•	•		•	•	•		•		•		
Yemen		•	•	•	•	•	•	•		•	•	•		•		

Legend:  
 • Information / data available  
 1 Since mid-2004 IDMC not actively following situation in SL  
 2 Limited data available  
 3-4-5 PFM Assessment Completed-Commenced-Planned  
 6 Discussed in work on building sustainable democratic institutions in Southern Africa  
 7 Country reports available  
 8 Countries participating in CSI implementation phase  
 9 No GEM ranking but limited data available

## Annex 4: Signposts to other useful guidance

This Annex sets out key guidance on the analysis and assessment of governance and its various aspects, as well pointers to related policy and operational guidance. In addition, this Annex suggests where to go within DFID for further in depth advice.

### Guidance:

- [The Governance and Social Development Resource Centre topic guide on indicators](#) provides a good introduction to measuring governance, types of indicators, methodological challenges, conceptual challenges, second-generation indicators, programme level measurement, impacts of measuring governance and additional information resources.
- A forthcoming DFID paper, 'Guidance on Using Key Governance Indicators', will provide advice on using key mandatory governance indicators when conducting CGAs.
- [The United Nations Development Programme 'Oslo Centre Governance Indicators Project'](#) seeks to assist developing countries produce disaggregated and non-ranking governance indicators to enable national stakeholders to better monitor performance in democratic governance reforms. This website also provides signposts to useful guidance documents on using various governance indicators.
- [Governance Indicators: A User's Guide \(United Nations Development Programme / European Union\)](#)<sup>i</sup> (UNDP/EU, 2004) is written for non-specialist users of governance indicators. The first part provides generic guidance for users of indicators, illustrated with specific examples. The second part is a source guide, which takes the reader through some specifics about data sources. This includes a snapshot of their methodology, some example data, their contact information and the important assumptions underlying the particular source. The guide book drills down into the sources, highlighting the key facts that a user needs to know before using any indicator. These include the methodology of the indicator, the assumptions which underpin it,

and what they imply for the use of the source. *Please note that an update of this publication is planned.*

- ['Uses and Abuses of Governance Indicators' \(Organisation for Economic Co-operation and Development\)](#)<sup>ii</sup> (OECD, August 2006) helps users of governance indicators to understand the strengths and weaknesses of the best and most widely used indicators, guides them through many existing governance indicator datasets, and shows how governance indicators tend to be widely misused both in international comparisons and in tracking changes in the quality of governance in individual countries. It also explains recent developments in the supply of governance indicators. (*Quest Document 966601*)
- A forthcoming DFID paper, 'Guidance on Using Human Rights Indicators', will provide practical advice and examples of indicators on all aspects of human rights
- 'Measuring Progress toward Safety and Justice: A Global Guide to the Design of Performance Indicators across the Justice Sector'<sup>iii</sup> (*Vera Institute of Justice, November 2003*) summarizes the guidance on performance indicators developed by the Vera Institute of Justice for programme managers implementing Safety, Security, and Access to Justice Initiatives for DFID. The Guide explains a series of design principles for creating indicators, describes the process of developing small baskets of powerful indicators, and provides examples. (*Summary - Quest Document 640112; Full – Quest Document 640109*)
- ['Policy Framework for Investment: A Review of Good Practices'](#)<sup>iv</sup> (OECD, August 2006) lists key questions on investment, trade, competition, taxation, corporate governance, responsive business, labour, infrastructure and regulation across policy fields identified in the Monterrey Consensus as critically important for improving the quality of a country's environment for investment. Its core purpose is to encourage policy makers to ask appropriate questions about their economy, their institutions and their policy settings in order to identify their priorities, to develop an effective set of policies and to evaluate progress.

- ‘Democracy Toolkit’ (*Foreign and Commonwealth Office, 2006*) aims to help FCO country teams promote democracy through advancing democratic principles and values. It includes a mapping tool to enable FCO country teams to analyse the degree of democracy in a country. (*Quest Document 936387*)
- [‘Safety, Security and Accessible Justice: Putting policy into practice’](#) (*DFID, July 2002*) aims to provide practical guidance on safety, security and access to justice based on experience including detailed appraisal questions on personal safety, security and access to justice.
- [Draft ‘How-To Note on Implementing DFID’s conditionality policy’](#) (*DFID, January 2006*) sets out how DFID intends to strike a balance between ensuring aid is used effectively for poverty reduction, strengthening countries’ leadership of their own development and making aid more predictable so that governments can rely on it when making their public expenditure plans. *Please note that this publication is being updated by the Country Led Approaches and Results Team, Global Development Effectiveness Division. Please contact them for further information.*
- ‘How-To Note on Aid Instruments’ (*DFID, July 2006*) provides a one-stop-shop DFID resource for policy and programme guidance on aid instruments. It brings together policy and guidance on financial and other aid instruments, including new work on Poverty Reduction Budget Support, Global Funds & Partnerships, and Technical Cooperation. It is intended primarily for programme managers and advisers in Country Offices. (*Short version: Quest Document 698223; Full draft: Quest Document 698201*)
- [DFID’s Best Practice Guide](#) is an on-line catalogue which links to other DFID operational guidance which Country Offices may find useful.

**Further advice from within DFID:**

- The Effective States Team, Policy and Research Division can provide advice on Country Governance Analysis, governance analysis and assessment and use of governance diagnostics, assessments and indicators.
- The Programme Guidance Risk And Assurance Group, Finance and Corporate Performance Division, can provide advice on CAP guidance.

- The Country Led Approaches and Results Team, Global Development Effectiveness Division, can provide advice on aid effectiveness, country led approaches, conditionality and aid instruments.
- The Equity and Rights Team, Policy and Research Division, can provide advice on gender, social exclusion, human rights and social protection.
- The Financial Accountability and anti-Corruption Team, Global Development Effectiveness Division, can provide advice on public financial management and anti-corruption.
- The Pro-Poor Growth Team, Policy and Research Division, can provide advice on the links between growth strategies and poverty reduction, and the macroeconomic policies of developing countries.
- The Security and Justice Policy team, Conflict, Humanitarian and Security Department, can provide advice on political stability, personal security, rule of law and access to justice.
- The Conflict Policy team and the Arms Control and Counter Terrorism team, Conflict, Humanitarian and Security Department, can provide advice on conflict and political stability.

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<sup>i</sup> Nahem, J. and Sudders, M. (2004) *Governance Indicators: A Users Guide*. New York, U.S.A, UNDP and Luxembourg, Eurostat.

<sup>ii</sup> Arndt, C. and Oman, C. (August 2006) *Uses and Abuses of Governance Indicators*. France, OECD Publications.

<sup>iii</sup> Chris Stone (November 2003) *Measuring Progress toward Safety and Justice: A Global Guide to the Design of Performance Indicators across the Justice Sector*. New York, USA, Vera Institute of Justice.

<sup>iv</sup> OECD (August 2006) *Policy Framework for Investment: A Review of Good Practices*. France, OECD Publications.

# Annex 5: Frequently Asked Questions on Country Governance Analysis

- 1 [What value does the DFID CGA add given the number of analyses and assessments already prepared by other donor partners and agencies?](#)
- 2 [What is the link between CGA and Drivers of Change \(or other DFID analytical tools\)?](#)
- 3 [What is the link between the CGA and the conditionality policy?](#)
- 4 [Will the CGA determine resource allocation?](#)
- 5 [Why does the CGA have to be made public?](#)
- 6 [How should the CGA be communicated?](#)
- 7 [Should Regional Programmes prepare Regional Governance Analyses?](#)
- 8 [In federal states, would provincial \(or equivalent\) level CGAs be more appropriate?](#)
- 9 [If CGAs are only required when preparing CAPs, how can they be kept up to date and relevant?](#)
- 10 [What is the process for optional quality assurance and peer review of the CGA from the Effective States Team, Policy and Research Division?](#)
- 11 [What is the process for formalizing CGAs, if they are produced separately from CAPs?](#)
- 12 [Will the CGA risk undermining harmonisation by frustrating partner country governments and donor partners when creating parallel dialogue processes or duplicating existing ones?](#)

- 13 [How can consultation take place in environments where engaging with partner country governments is difficult \(e.g. in authoritarian regimes, post-conflict contexts or in politically contested environments\)?](#)
- 14 [By harmonising or making the analysis public, is there a risk that the CGA will not provide a robust assessment of governance?](#)
- 15 [Will the CGA be resource intensive and how can it be managed especially where Country Office capacity is constrained?](#)
- 16 [What if the data in the public domain is contested, weak or doesn't exist?](#)
- 17 [Why must the CGA only include data in the public domain when other data that is not in the public domain would generate a more credible analysis of governance trends?](#)
- 18 [What if the choice and use of data invites accusations about selectivity, bias and endorsement of contested data?](#)
- 19 [What if a credible assessment of trends in aspects of political governance risks fracturing relationships in a politically sensitive environment?](#)
- 20 [Why isn't DFID explicitly comparing country governance data?](#)
- 21 [Will Policy and Research Division provide advice on governance indicators?](#)
- 22 [Will the CGA help to predict bad governance 'events'?](#)

**1 What value does the DFID CGA add given the number of analyses and assessments already prepared by other donor partners and agencies?**

The CGA will add value by systematically gathering credible assessments, indicators and analyses that are in the public domain, discussing these with partners and stakeholders, and setting their analysis of their findings within the framework of governance established in the White Paper i.e. good governance is to be found where states are capable, accountable and responsive. This will help DFID contribute towards the generation of a well-informed, balanced, credible and shared understanding of the context and trends in all aspects of governance.

Another source of value-added is that the governance analysis is explicitly linked to country aid strategy and programming.

**2 What is the link between CGA and Drivers of Change (or other DFID analytical tools)?**

The CGA can be described as an ‘umbrella’ document. It is not intended to replace existing tools used by DFID to provide in depth understanding of political context (such as Drivers of Change) or analytical assessment (such as Strategic Conflict Assessment, Fiduciary Risk Assessment or Social Exclusion Assessment).

In terms of substance, the CGA focuses on broad analysis of governance context and trends, whereas Drivers of Change focuses on what explains the context and trends.

Existing analyses should form part of the evidence base on which the CGA would draw to reach its conclusions. In particular, ‘Drivers of Change’ studies will provide important background on the distribution of power between the citizen and state, and power relationships among different stakeholders. Beyond informing the CGA with in depth understanding of the context of governance and political change, Drivers of Change can also support the generation of a consultation map for the CGA.

**3 What is the link between the CGA and the conditionality policy?**

The CGA will help to identify key governance risks to the three partnership agreements underpinning the country programme. In particular, the CGA will form the basis for DFID’s periodic assessment of the government’s commitment to respecting human rights and other international obligations. The CGA will also provide much useful analysis (but not complete) to inform our periodic assessment of the

commitment to poverty reduction and the MDGs, and to strengthened financial management and accountability.

#### **4 Will the CGA determine resource allocation?**

The CGA will not be used to formally determine resource allocation through the Resource Allocation Model. However, like other information and analyses brought to the attention of Ministers, Director Generals and Regional Directors, it will influence resource allocation. The CGA will provide information for the governance lens within the resource allocation decision tree.

#### **5 Why does the CGA have to be made public?**

Transparency is a key principle of good governance. And a key aim of the CGA is to promote dialogue on governance in partner countries. Senior management have been clear that the CGA should be publicly available. The commitment is in the White Paper and CGAs will be subject to Freedom of Information requests. While there will be concerns, the CGA guidance has been developed so as to enable Country Offices not to harm existing relationships.

#### **6 How should the CGA be communicated?**

This is up to the country office, depending on the context and their strategic objectives. There are advantages in communications terms in seeing the analysis as essentially part of the CAP process and published simultaneously with the CAP.

#### **7 Should Regional Programmes prepare Regional Governance Analyses?**

While the CGA is only mandatory in CAP countries, we would encourage regional programmes and non-CAP countries to also prepare regional governance analyses or country governance analyses if they think they will help inform aid strategy. RAPs may want to test the guidance and feedback lessons learnt into the CGA review to be conducted at the end of 2007.

#### **8 In federal states, would provincial (or equivalent) level CGAs be more appropriate?**

CGAs are only required at the national level. Country Offices can choose to undertake analysis of trends of governance at lower levels where the country programme is focused if this is considered helpful to their decision making

processes. This is at the discretion of Country Offices. The same Guiding Principles should apply.

**9 If CGAs are only required when preparing CAPs, how can they be kept up to date and relevant?**

See Paragraphs 4.1 – 4.3 of the How-To Note for further details on when CGAs should be produced and when updates may be advisable. In addition, Country Offices may identify key indicators to monitor on a more regular basis, especially in fast moving environments.

**10 What is the process for optional quality assurance and peer review of the CGA from the Effective States Team (EST), Policy and Research Division?**

The Head of Office should send a cover note and final CGA to the Team Leader of EST (with a copy to the Head of Regional Division and the Head of Group, Governance and Social Development) requesting quality assurance and peer review. EST will then lead a review of the CGA, drawing in added expertise as needed, discuss any need for further development with the country team, and give a formal response (with a copy to the Head of Regional Division and the Head of Group, Governance and Social Development). EST will focus on the same issues as QAG would (see Paragraph 4.8 of the How-To Note).

**11 What is the process for formalizing CGAs, if they are produced separately from CAPs?**

Where CGAs are prepared separately from CAPs, they will be submitted to the Effective States Team (EST), Policy and Research Division, for quality assurance and peer review.

The Head of Office should send a cover note and final CGA to the Team Leader of EST (with a copy to the Head of Regional Division and the Head of Group, Governance and Social Development) requesting quality assurance and peer review. EST will then lead a review of the CGA, drawing in added expertise as needed, discuss any need for further development with the country team, and give a formal response (with a copy to the Head of Regional Division and the Head of Group, Governance and Social Development). EST will focus on the same issues as QAG would (see Paragraph 4.8 of the How-To Note).

**12 Will the CGA risk undermining harmonisation by frustrating partner country governments and donor partners when creating parallel dialogue processes or duplicating existing ones?**

Consultation with partner country governments and other donors should be embedded within the Country Assistance Planning process and existing dialogue processes with these stakeholders. The CGA should not require any parallel dialogue processes or duplicate existing ones, but rather should build on those processes that are already underway.

**13 How can consultation take place in environments where engaging with partner country governments is difficult (e.g. in authoritarian regimes, post-conflict contexts or in politically contested environments)?**

Country Offices should seek opportunities to discuss their data and analysis with partner country governments or representatives where possible. Where this is not feasible or is likely to be counter productive, Country Offices should state this, and outline what consultation with stakeholders has taken place, within the covering submission to the CGA.

**14 By harmonising or making the analysis public, is there a risk that the CGA will not provide a robust assessment of governance?**

Section B of the CGA will pull together data or direct quotes of conclusions from publicly available material. This will include key mandatory indicators outlined in Section 7 Tables 3 – 5. This Section will therefore simply provide a factual statement about how we and others see governance in a country.

The value of harmonising approaches to assessing governance, and of being open in our assessment, is that our resulting analysis should be more robust and credible.

**15 Will the CGA be resource intensive and how can it be managed especially where Country Office capacity is constrained?**

The CGA methodology should not require intensive staff time or costs. In some cases, the CGA will be quite a light touch exercise.

The CGA should build on existing processes of dialogue with country partners, donor partner and other stakeholders through the Country Assistance Planning process. If consultation has already taken place by DFID or other agencies (e.g. for an opinion survey or a diagnostic report) there is no need to duplicate consultation. It also

builds on existing analysis and indicators; there is no imperative for new primary analysis.

The Country Governance Analysis How-To Note provides hyperlinks to mandatory and suggested international data sources, and provides signposts to helpful guidance on using governance indicators. Data gathering and analysis can also be supported through external consultancy.

Where credible local data sources are more difficult to identify and use, Country Offices should note this within the CGA or covering submission and consider whether in their forward work programme this can be addressed.

#### **16 What if the data in the public domain is contested, weak or doesn't exist?**

Country Offices should use a balanced set of credible data sources in the public domain to prepare a shared analysis. Where data or interpretation of data is contested, this should be recorded within Section C: Analysis of Data or in the covering submission. Where credible data sources are weak or do not exist, Country Offices should use what is available and record their use and limitations within Section C. In some contexts where information may not be available or credible, Country Offices may want to note the absence of information and consider whether in their forward work programme this can be addressed.

#### **17 Why must the CGA only include data in the public domain when other data that is not in the public domain would generate a more credible analysis of governance trends?**

The CGA will be in the public domain and subject to Freedom of Information requests. It cannot therefore contain reference to data that is not in the public domain.

The CGA is also intended to be a shared assessment that contributes to dialogue and better understanding amongst stakeholders on the trends in governance. This is best facilitated through open discussion on information that is accessible to all.

See Paragraph 4.6 of the How-To Note for further details.

**18 What if the choice and use of data invites accusations about selectivity, bias and endorsement of contested data?**

Country Offices should discuss the CGA including its purpose and methodology with those stakeholders with whom they wish to consult during the preparation of their CGA. This should help to avert criticism and manage expectations.

In addition, Country Offices are advised to seek a balanced set of data produced by a range of sources to inform their analysis (see Paragraphs 5.10 – 5.11 and Section 6 in the How-To Note for further advice). They are also advised to discuss their choice and interpretation of data with stakeholders and record valid differing views where this is important.

**19 What if a credible assessment of trends in aspects of political governance risks fracturing relationships in a politically sensitive environment?**

As far as possible, the CGA should be a credible *and* shared assessment of trends of governance. In many circumstances this may indeed be challenging. Section B of the CGA will pull together data or direct quotes of conclusions from publicly available material. This will include key mandatory indicators outlined in Section 7 Tables 3 – 5. This Section will therefore simply provide a factual statement about how we and others see governance in a country. There need not be any DFID analysis of information in this section.

Ultimately, Country Offices should refer to the Guiding Principles outlined in Paragraphs 3.6 – 3.11 when making decisions about the choice and interpretation of data, consultation and country led approaches.

**20 Why isn't DFID explicitly comparing country governance data?**

Some other donors are using league tables to monitor governance and also to allocate aid. DFID has refrained from this for two reasons. First, we believe that global sources of governance data are not yet robust enough for preparing meaningful league tables or for aid allocation on a mechanistic basis. Second, varied country context means that a snapshot does not necessarily give an indication of the direction of travel or the most appropriate aid response. Our key principles highlight the importance of a country-focused approach and triangulating analysis from a range of sources.

## **21 Will Policy and Research Division provide advice on governance indicators?**

Yes, the Effective States Team will be providing overarching support to Country Offices on the methodological issues surrounding indicators. Annex 4 provides links to existing guidance on governance indicators (e.g. "Governance Indicators: A users Guide"). We will also be producing a paper on the mandatory indicators outlined in the How-to Note. Finally, Country Offices should seek support from their local Statistics Adviser where possible.

## **22 Will the CGA help to predict bad governance 'events'?**

The CGA will not predict events in country but it will help to identify 'signals' that governance is improving or deteriorating. Its will also help identify indicators that merit closer scrutiny or more continual monitoring.

In addition, the CGA will help to identify key governance risks to the three partnership agreements underpinning the country programme. In particular, the CGA will form the basis for DFID's periodic assessment of the government's commitment to respecting human rights and other international obligations. The CGA will also provide much useful analysis (but not complete) to inform our periodic assessment of the commitment to poverty reduction and the MDGs, and to strengthened financial management and accountability.

Finally, where decisions are taken as a result of reassessment of government's commitments the CGA will help DFID explain the basis for decisions to country partners, other donors and the public.