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Governance Assessments and the Paris Declaration

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1. Introduction

1.1 Governance assessments and the Paris declaration – compatible agendas?

Is it possible to carry out governance assessments and develop diagnostic tools for enhancing governance while adhering to the principles of the Paris Declaration? Or, are the two processes largely contradictory? What measures can be taken to promote greater harmonisation and reduce transaction costs on recipient countries? This paper aims to highlight some issues and provoke a discussion on governance assessments in relation to the 2005 Paris Declaration on Aid Effectiveness' expressed goal of national ownership, harmonisation and alignment.

There is by now a broad consensus among policymakers and academia that good governance matters for development and herein, for the effectiveness of development assistance. This in turn has increased the demand for monitoring the quality of governance and aid donors increasingly utilise measurable performance indicators – where governance features prominently- as a basis for aid disbursements. While a multitude of motivations and purposes lie behind decisions to carry out governance appraisals, most assessments are used as a planning tool to enhance the effectiveness of aid and/or to facilitate aid conditionality (both ex ante and ex post). Thus, in the context of developing and aid recipient countries, governance assessments has come to mean donor initiated initiatives aimed at leveraging change and reform.

In contrast, the Paris Declaration in its official rhetoric demands donors to 'step back' and harmonise and align aid, as well as foster country ownership of the development agenda. Advancing nationally determined development strategies means that development partners – i.e. donors – must subordinate their aid programmes to partner – i.e. recipient – national policy preferences. This, may however, constitute a dilemma when held up against external actors' legitimate needs to carry out governance assessments. Development partner governments (and investors and civil society actors) may have policy agendas that are not always compatible with that of the partner country, and are also accountable to the electorates in their home countries. As a result, we need to acknowledge that the Paris Declaration and the growing process of assessing governance may be two largely contradictory agendas.

According to the Paris Declaration *country ownership* is achieved when "partner countries exercise effective leadership over their development policies and strategies, and co-ordinate development actions". It commits partner countries to three objectives of ownership:
- Exercise leadership in developing and implementing their national development strategies through broad consultative processes.
- Translate these into prioritised results-oriented operational programmes as expressed in medium-term expenditure frameworks and annual budgets (indicator)[1].
- Take the lead in co-ordinating aid at all levels in conjunction with other development resources in partnership with civil society and the private sector.

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[1] The principle of country ownership and how to ensure it is perhaps the least developed in the Paris Declaration. This is for instance illustrated by the fact that only one of the objectives is translated into an indicator and is thus possible to monitor. Another limitation is that partner countries must have operational development strategies. The target for 2010 is that at least 75% of partner countries have such strategies in place (Paris Declaration 2005:9).

However, donor driven governance assessments do not necessarily stress the role of national partners nor national ownership in the assessment process and the question is whether they should.[2] In many respects, it is a contradiction in terms to expect that assessments by external parties should be owned by those being assessed. But, assessments can possibly be catalysts for nationally driven reform, especially if configured and undertaken through inclusive and consultative processes. For this to take place, alternative forms of assessments are most likely required. This paper will explore the peer review and self-assessment modalities as examples of such alternatives.

The Paris Declaration also commits donors to *align* aid with partner countries national development strategies and to channel their support through the partner countries' institutions and procedures. This is closely linked to ownership – in the sense that it embeds aid into country-led priorities, goals and targets. It does not link to ownership, if ownership is also understood to mean enhanced civic engagement, balancing state capacity with state responsiveness, rights-based service delivery, inclusive participation, transparency, and accountability. So far, there are few examples of this taking place via governance assessments. Donor assessments are products of the donor agenda and were never meant to be aligned with partners' strategies.

The Paris Declaration's call for more *harmonised*, transparent and collectively effective actions among donors includes working together "to reduce the number of separate, duplicative missions to the field and diagnostic reviews" (Paris Declaration 2005:6). In 2005, two thirds of missions and half of country analytical work were still uncoordinated indicating clear deficiencies in harmonisation (OECD 2007:2).[3] Again illustrating the real and potential tensions between governance assessments and the Paris Declaration, a proliferation of governance assessments and diagnostic tools has been witnessed in recent years. There are several consequences of a proliferating assessment agenda linked to competing and multiple demands from donors on developing country governments and duplication of analytical work.

In order to make these two conflicting agendas meet this paper argues that it is necessary to establish a new arena or a 'third way'. A possible starting point could be to stimulate the undertaking of more self-assessments and peer-reviews. Although so far less frequently conducted than assessments by external parties, so-called self-assessments and peer-reviews may be more conducive with respect to fostering country ownership. They set out to be multi-stakeholder assessments including broad based participation. The involvement of key local stakeholders may also enhance the credibility and legitimacy of governance assessments. Not least these are national initiatives carried out on the initiative of the country government. Importantly, these forms of assessments in principle also imply less involvement by external actors. They are based on local 'know-how', grounded in the local context and provide the best opportunity to entrench ownership of the development agenda.

In the following, a brief overview of different categories of assessments is presented to provide an overview of the major debates and to introduce the main forms of assessments. Section two takes a closer look at what forms of governance assessments are most conducive with respect to upholding the principles of the Paris Declaration by introducing three main forms of assessments - being assessed, peer review and self-assessment. In the third section we sum up challenges and issues for discussion.

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[2] The Centre for Democratic Governance/UNDP preliminary study on Donor Governance Assessments finds almost no methodological evidence of national consultation in its review of OECD members' use of governance assessments.
[3] The target for 2010 is that 40% of donor missions to the field are joint and that 66% of country analytic work is joint (Paris Declaration 2005:10).

1.2 Different approaches to governance assessments

A range of different types of assessments exist and several countries and organisations use multiple types of assessments. Some are studies of political economy and drivers of change at the state level, while others are more focused on particular issues that are crucial from a governance perspective, such as human rights, corruption, accountability, capacity, conflict or transparency, within the country context. Studies of institutional quality and functioning or that examine the capacity issues within the enabling environment (for instance in the context of poverty reduction, for specific sectors such as health or education, or linked to organisations) are also common. There are a number of different ways to distinguish between different groups and categories of assessments.

One possibility is to group assessments according to who are behind the various initiatives. The Overseas Development Institute (2007) has applied this principle of categorisation:

- <u>Initiatives by multilateral actors</u>: e.g. UNDP's Governance Indicators Project (GIP), OECD's Metagora project, World Bank's World Wide Governance Indicators, EU's Country Governance Profiles
- <u>Initiatives by bilateral actors</u>: e.g. USAID's Democracy and Governance Assessment, DfID's Country Governance Assessments and Drivers of Change, the Dutch Strategic Governance and Corruption Assessment, Sida's (Power and) Conflict Analysis.
- <u>Initiatives by independent research institutions</u>: e.g. International IDEA's State of Democracy Assessment, Bertelsmann Foundation's Bertelsmann's Transformation Index, the Freedom House scales, ODI/University of Florida's World Governance Assessment Project, Transparency International's Corruption Perception Index.

Another option is to distinguish between the following three categories (and sub-categories):

- <u>Assessments</u>: This category consists of three main forms of assessments - external assessments (e.g. DfID, the Netherlands, USAID), peer-reviews (OECD and the African Peer Review Mechanism) and self-assessments (e.g. International IDEA's State of Democracy). These are all methods and frameworks for assessments which include some case studies but no comparison or ranking of countries.
- <u>Indicators/indices</u>: Mainly global datasets such as the Freedom House scales for political and civil liberties[4], the Mo Ibrahim Foundation's African governance assessment[5] (recent initiative) and the Bertelsmann's Transformation Index[6], the polity IV Project at the University of Maryland[7], and Transparency International's Corruption Perception Index and the Global Integrity Index targeting the prevalence of corruption[8]. All of these are seen as indicators because they contain comparative data. Assessments as referred to above do not. Global and regional studies also belong in this category.[9]
- <u>Initiatives</u>: OECD's Metagora project and UNDP's GIP are initiatives to promote self-assessments through certain principles, approaches and methods (e.g. pro-poor and gender sensitive aggregation).[10]

It should be noted that these are not clear-cut categories and there are several overlaps. Among the distinctive features of the World Governance Assessment (WGA) [11] is that it allows cross-country

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[4] See, http://www.freedomhouse.org/template.cfm?page=1
[5] See, http://www.moibrahimfoundation.org/the-index.html
[6] See, http://www.bertelsmann-transformation-index.de/11.0.html?&L=1
[7] See, http://www.cidcm.umd.edu/polity/
[8] See, http://www.transparency.org/policy_research/surveys_indices/cpi
[9] See, UNDP's Users Guide, http://www.undp.org/governance/docs/policy-guide-IndicatorsUserGuide.pdf
[10] Notably, ODI (2007) refers to the initiatives within all the categories as assessments.

comparison; generates primary data, and; focuses primarily on quantitative data while also capturing qualitative comments (Hyden, Court, and Mease 2004; Hyden and Mease 2007). This makes the WGA a hybrid between assessment and comparative indicator set.

A third possibility is to distinguish between assessment initiatives on the basis of the role of national authorities:

- <u>Being assessed</u> by others or external assessments is currently the dominant form of assessment in existence, and refers to the large number of assessment carried out by development partners (and independent research institutions). Of the assessment initiatives promoted by donors, USAID's Democracy and Governance Assessment (DGA) Framework stands out. By spring 2000 it had already been applied in a dozen countries on every continent and refined for over five years, and it is still ongoing. The Netherlands and the UK are in the process of piloting new comprehensive assessment initiatives, referred to as the Strategic Governance and Corruption Assessment (SGACA) and Country Governance Assessments (CGA) respectively. Other emerging donor assessment initiatives are EU's Country Governance Profiles (CGP), CIDA's Governance Profiling (GP), and the Sida/Ministry of Foreign Affairs (Power and) Conflict Analysis (PCA).
- <u>Peer based</u> assessments are of a more recent date and are exemplified by the African Peer Review Mechanism (APRM) which is an instrument voluntarily acceded to by member states of the African Union as an African self-monitoring mechanism of the commitment to the promotion of democracy and good political governance (NEPAD 2003d).
- A third form of assessment, <u>self-assessment</u> is undertaken by a country preferably on its own initiative. The most central self-assessment initiative is IDEA/University of Essex' State of Democracy Assessment[12].

For the purposes of this conference, aiming to discuss governance assessments in light of the principles of the Paris Declaration, we have opted to focus on these three main forms of assessments emphasising the degree of partner country involvement in the assessments carried out.

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[11] The assessments are now coordinated by researchers at ODI and the University of Florida, while the project first started at United Nations University.
[12] See, http://www.idea.int/democracy/index.cfm

2. Three main forms of assessment: Country level experiences

Below, we take a closer look at how governance assessments work in view of the Paris Declaration. We do so by looking at the three main approaches to governance assessments outlined above and illustrating these initiatives with country level experiences.

2.1 Being assessed by external parties

Assessments are commonly "completely or largely external to the country for which the assessment is carried out" (ODI 2007: 4). The main external governance assessments can be grouped into two categories: independent research institutions mostly located in the North and bilateral and multilateral development partners that employ a combination of internally derived governance assessments and the assessment tools of research institutions to measure their development country profiles and progress within the field of governance in partner countries.

In the event of in-country work, this is generally carried out by international consultants. As emphasised above, development partners have legitimate reasons for carrying out individual and varied governance assessments linked to their own individual agendas and distinct aid portfolios. These assessments are increasingly used to support decisions in business investments, donor allocations and in some instances research priorities. In terms of the Millennium Development Goals, governance indicators and assessments are considered vital in order to reach and implement strategic policy decisions. Thus, development partners undertake appraisals of governance for their own purposes and assessments are often closely associated with their foreign and aid policy. While legitimate in their own right, the nature of external governance assessments as currently witnessed places clear limitations on ownership. In addition, the observed tendency of proliferation of the various governance assessments and limited ability of external parties to build on each other initiatives is a critical issue that should be addressed by development partners.

External assessments in light of the Paris Declaration

Harmonisation

Arguably, the poorest, most aid dependent countries with marked governance challenges appear to be exposed to more governance assessment initiatives than more developed countries. From the perspective of developing governance capacity, it is also a concern that these initiatives appear poorly integrated and that the various assessments rarely build on each others findings. Zambia offers an illustration.

Zambia launched its fifth national development plan in early 2007. On this basis, its development partners drafted a Joint Assistance Strategy which aims to harmonise donor interventions in line with the Paris Declaration. Indicating an element of national self-assessment, the government of Zambia has committed itself to publish a yearly report on the state of governance in Zambia and a newly established governance secretariat is put in charge of monitoring progress in terms of governance. However, along side these initiatives, a number of largely unconnected external governance assessments are taking place that threaten to duplicate and sideline the national governance assessment process. The European Commission has recently completed an extensive governance profile, Denmark is currently reviewing its governance programme to Zambia, OECD-

DAC has announced plans of a procurement review while DfID is in the process of completing its Country Governance analysis, Norway has completed similar assessments and the Dutch government plans a Strategic Governance and Corruption Assessment (SGACA).

The large variety of indicators and assessment methodologies employed runs counter to the focus on harmonisation and directly competes with the national governance initiatives. A similar perspective is presented in the country paper on Malawi which shows that in addition to (but not linked to) the recently conducted Peer Review Process and national governance initiatives linked to its Poverty Reduction Strategy Process, a number of governance assessments have been carried out in the past two years for largely uncoordinated purposes and by a multitude of development partners and research institutions.

Alignment and national ownership

The two cases of Malawi and Zambia point to another paradox of the Paris Club Declaration's emphasis on ownership and alignment to national development plans in the area of governance: How 'national' are the national development plans as expressed in the PRSP documents? For most aid dependent countries, the PRSP strategies were explicit demands placed by development partners in order to qualify for the debt relief mechanisms. The Poverty Reduction Strategy Papers (PRSP) initiated by the World Bank and IMF for forging poverty reduction in the context of debt relief programmes are maybe the most direct attempts by the international donor community to seek to enhance commitment to poor and accountability to poverty reduction from the outside. Countries requesting debt-relief under the highly indebted poor countries (HIPC) initiative were required to adopt a Poverty Reduction Strategy developed through a broad participatory process (PRSP). Tied to a set of governance conditionalities, the PRSPs have placed issues of poverty reduction at the centre stage of the official agenda in a number of debtor countries. As a result, it may be argued that even in 'the best of circumstances' where external governance assessments actually do link their assessments to national development plans, the very same plans have been forged and often initiated by the same external actors.

External governance assessments and the Paris Declaration- scope for improvements?

The country examples provided above show that there are a number of inbuilt dilemmas in the processes of forging sustainable 'good governance' and at the same time adhere to the principles of national ownership, harmonisation and alignment as established in the Paris Declaration.

One argument put forth is that donors should support and build their policy formulation on independent and more detailed governance assessments carried out by independent research institutions and with a strong element of national participation and national capacity building included. The World Governance Assessment (WGA) is an example of a governance assessment that is carried out by external actors, yet is context specific and includes local stakeholder views (Hyden et al. 2004). Being independent of various donor agendas and with data being collected by local respondents, the WGA is considered cost effective and meets many of the criteria set for a good assessment. However, this initiative does not meet the apparent need of various external parties to carry out governance assessments that carry their own 'trade mark' (often responding to policy directions from domestic policy debates). It may also be argued that the WGA initiative only to a limited extent meet the need of building onto a nationally derived and owned governance process.

The examples above have emphasised the need for further harmonisation of governance assessments and externally led initiatives, it may also be argued that harmonisation entails some in-built contradictions. Recently, concern has been raised about donors 'ganging up' on recipient governments and through harmonised donor strategies being able to exert even stronger influence

on development partner policies. This could further compromise the Paris Declaration's principle of national ownership (Foresti et al. 2006:x). The case of Uganda offers some insights to this problematique.

Box 1: Harmonisation and national ownership – the paradox of Uganda

To what extent can democratic accountability be enhanced by external support? Can national governments' responsiveness and accountability towards poverty reduction be enhanced by international pressure? Or, are there circumstances in which external pressure and intervention may 'crowd out' internal mechanisms of democratic accountability? The case of Uganda illustrates one of the dilemmas faced by a largely externally driven governance (and assessment) agenda in the almost 'ideal' situation of donor harmonisation. The development partners in Uganda have come a long way to implement the policy goals of the Paris Declaration. Since 2003, 17 partner institutions have developed a joint dialogue on governance with the Government of Uganda based on a methodology for a joint monitoring process. Partners for Democracy and Governance (the PDG group) links its governance assessment to the government's own commitments as displayed in the governance section of the national development plan, the Poverty Eradication and Action Plan (PEAP). But the case of Uganda also displays the potential costs of harmonisation in situations where the partner countries begin to question government's commitment to the governance agenda. Before the 2006 elections, the harmonised governance process and demands of the PDG group at times led to decisions that overruled the vote in Parliament. According to developing partner representatives, the PDG process has also meant that the dialogue on governance increasingly is pushed to the highest executive level, thereby potentially undermining local democratic processes.

Key Discussion Points

➢ In view of the donor governments varied aid portfolios and assessment needs, is greater harmonisation of governance assessments possible? When do individual governance assessments by various donor agencies constitute a problem in light of the Paris Declaration?

➢ To what extent can national development plans as expressed in the PRSP documents be considered as 'genuinely national' and to what extent does lack of ownership affect the assessment and implementation process?

➢ Donor support and harmonised processes must not diminish accountability to domestic stakeholders. While this principle is clear, how can this be avoided in practice? When and how may external pressure and a harmonised donor approach to governance risk 'crowding out' internal mechanisms of democratic accountability?

2.2 Being assessed by peers

Peer review is based on a non-coercive approach and is an assessment of a state by other states (peers). It includes a stage of self-assessment prior to the peer review. This modality of assessment involves a number of actors including the organisation or collective body within which the review is conceptualised, organised and undertaken, the reviewed country team and the team of reivew countries. Vital factors for a successful peer review are mutual trust between the actors involved, as well as commitment and confidence in the process. Peer pressure is decisive for the effectiveness of

the review and takes the form of 'soft enforcement' as opposed to legal enforcement mechanisms (Pagani 2002). There are two major peer review initiatives in existence: the African Peer Review Mechanism and the Organisation for Economic Cooperation and Development's (OECD)[13] peer reviews.

The APRM has been modelled on the latter in a number of significant respects and is the most recent initiative. The APRM is unique in the sense that it is the first working peer review framework to help improve governance within African countries and which is initiated to help promote collective action. The mechanism's main aim is "to foster the adoption of policies, standards and practices that lead to political stability, high economic growth, and sustainable development and accelerated sub-regional and continental economic integration" (NEPAD 2003:1)[14]. Its base document was first approved by the New Partnership for Africa's Development (NEPAD) and later endorsed by the African Union (AU) in July 2002. As of May 2007 26 countries of 53 AU member states had acceded to APRM. Ghana, Rwanda and Kenya were the first three countries where support missions and country review missions were undertaken, with Ghana pioneering the process.

The APRM mechanism is supposed to be a continuous exercise of assessment and implementation taking place in 5 year cycles, thus placing the APRM among the most ambitious assessment exercises on the African continent. Ghana, Kenya, Rwanda and Mauritius were the four first countries to open themselves to the examinations of the APRM. Their experiences provide the first lessons to learn from the APRM. As will be seen, peer assessments are in theory more compatible with the Paris Declaration's goal of national ownership and alignment than assessments by external parties. The assessment relies heavily on a self-assessment carried out in the country concerned which also constitutes the first step of the review process[15].

Box 2: Two Regional Assessment Initiatives: The EU and the APRM

An interesting contrast to the APRM is the governance assessments related to European Union admission in Europe. While the APRM consists of a self-assessment part in combination with an external review the EU criteria are currently in the form of a top-down external evaluation only. As Richard Rose (2006) argues, however, the rather broad 1993 Copenhagen criteria (practice of democracy, adherence to the rule of law, respect for human and minority rights, functioning market economy, and effective public administration) which set the standard for evaluation of potential EU members can also be used in a bottom-up application. By relating 2004 survey data from the New Europe Barometer (asking people what they think of how they are governed) to the Copenhagen criteria this could offer a counterweight to the current asymmetry in negotiations between the EU and applicant countries, as it provides and empowers the applicant with more information about the functioning of its governance system.

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[13] Peer reviews have been used by the OECD since the organisation was founded and focuses on various areas such as governance, economics, education, health, environment and energy (OECD 2003).
[14] The main focus areas are: democracy and political governance; economic governance and management; corporate governance; and socio-economic development (NEPAD 2003).
[15] The APRM consists of a five step review process: (1) a self-assessment is undertaken in the country concerned; (2) a country review team composed of members of the APRM panel of 'eminent persons' carries out an independent evaluation and produces report with assistance from the APRM Secretariat and technical advisers; (3) a programme of action is developed based on the self-assessment report and the country review report; (4) the country review report and the plan of action are presented at the APR Forum, and; (5) the plan of action and country review report are tabled at the African Union Summit and then made public (NEPAD 2003).

Peer review in light of the Paris Declaration

Ownership and alignment

One of the distinctive features of the APRM and which sets it apart from externally driven review initiatives is its focus on ownership realised through the self-assessment component of the mechanism and the emphasis on participatory and inclusive approaches (NEPAD 2003b para. 7.3-7.19; 2003a). It is considered necessary to involve all stakeholders through a broad consultative process. In addition the added value of this being a regional African initiative should not be underestimated. Some concern, however, has been raised with respect to NEPAD's agenda. It has been accused of being elitist, oriented towards the West, and an African version of the conditionality policies advanced by the International Monetary Fund and the World Bank in African countries (Verwey 2004).

During the Sixth Africa Governance Forum in 2006, most country submissions recognised that the APRM process had increased space for non-state actors (AGV-VI 2006:14) which is a significant achievement. Notwithstanding this, there is also considerable room for improvement with respect to expanding and deepening ownership. Civil society participation in the APRM has for instance posed a dilemma in Mauritius, Kenya and Rwanda. The first phase of the review in Mauritius has been flawed by poor civil society engagement. The focal point for the APRM in Mauritius – NESC – failed in reaching out broadly and reportedly relied too heavily on government information when preparing the self-assessment report (Bunwaree 2007).

Assessments of the Kenyan and Rwandan APRM reviews identify weak civil society engagement as a main challenge in both countries (Ouma Akoth 2007; LDGL 2007). The Kenyan process has been referred to as 'state-centric' but at the same time the author admits that it presents an opportunity for dialogue between the government and civil society (Ouma Akoth 2007). Overall, the APRM process in Ghana is considered as successful (see Box 3) - also with respect to stakeholder involvement. Representative stakeholder participation has been good, but it has been noted that public awareness and involvement have been weaker (UNDP 2006).

Box 3: The APRM Story in Ghana

The APRM in Ghana has been held out as a model example. It was the first country to complete the APRM (AGV-VI 2006). Extensive national political support for the APRM process has been pointed to as key to the success. An independent 7 member APRM Governing Council composed of non-state actors selected in a transparent manner following public consultation played an important role in the process. Also, the quality of the institutions involved has been pointed to as a success factor (Bing-Pappoe 2007). Weaknesses of the process are particularly found in implementation. This is a feature the Ghana APRM process shares with other APRM countries. A limited timeframe to discuss and draft the Plan of Action has been pointed to as possible explanatory factors (UNDP 2006).

The APRM is largely self-funded i.e. less than 20% of the budget is donor funded the rest comes from NEPAD APRM countries. The fact remains, however, that the African Development Bank, United Nations Development Programme, and the United Nations Economic Commission for Africa have participated in all APRM missions and provided technical, human and financial support (AGV-VI 2006). Financial contributions from other aid actors have also been called on. The UK and Germany for instance provided support to the Ghana APRM. The question is what are the implications for long term sustainability and ensuring inclusive national ownership?

According to the APRM guidelines (NEPAD 2003c, par. 12) the national programme of action developed as part of the assessment should be consistent and aligned with the existing national processes such as the Poverty Reduction Strategy Papers, other poverty reduction national strategies, Medium Term Expenditure Framework and the Millennium Development Goals strategies. The APRM mechanism is still in its early stages and there is yet little information on the link between the APRM and the Paris Declaration's principle of alignment. It seems reasonable to assume, however, that it would be in the interest of the country concerned to align its national programme with peer review processes. As previously mentioned, however, alignment to national plans that are partly products of external demands could be considered a paradox and could possibly work against ownership.

Harmonisation

The APRM is resource intensive and demanding. A strong monitoring and evaluation system is for instance needed to ensure effective implementation of the national plan of action which is at the core of the APRM (AGV-VI 2006:29). If donors are not willing to harmonise their actions and draw on the peer reviews conducted, the APRM runs the risk of just becoming another add on to country systems that are already experiencing excessive external demands. In Rwanda lack of technical expertise at the national level was a problem during the APRM process (LDGL 2007). Evidence from other APRM countries also indicate lack of capacity at regional and country level to manage the tasks associated with the process (AGV-VI 2006).

Key Discussion Points:

➢ The APRM process is focused on ownership and broad consultative processes. It has for instance succeeded in creating more space for civil society actors. How can external actors contribute to advance this positive achievement?

➢ Civil society engagement has also posed a dilemma during the APRM processes. Which parts of civil society should be involved and how should it be involved? How can further involvement of civil society be enhanced?

➢ When and how does external involvement place limitations on ownership?

➢ Development partners can reduce transaction costs on recipient countries by drawing on the peer reviews undertaken and keep their own assessments at a minimum. How to make sure that peer reviews are utilised by governments and development partners? Will external actors be willing to do this? Is it feasible and /or desirable for donors to do this?

2.3 Self-assessments: National governance assessment strategies

The principle of self-assessment entails a country undertaking a reflective and systematic evaluation of its own national governance processes. The advantage of the self-assessment approach lies particularly in its potential for building local capacity by investing in and drawing on local 'know how'. Nationally 'owned' databases can be established which local stakeholders in turn can use to advance demands and interests. In this sense, self-assessments in a long-term perspective can contribute to empowering the citizenry.

As noted above, the APRM consists of a self-monitoring mechanism and is thus partly overlapping with this third form of appraisal. Although relatively infrequent, what may be termed self-appraisals, are embarked on both in the West and in developing countries. Initiatives include the International Institute for Democracy and Electoral Assistance's (IDEA) State of Democracy project, as well as democratic audits and publicly financed power studies[16]. The latter is a Scandinavian phenomenon[17]. The assessments have been characterised by a relatively long time frame, extensive autonomy and reliable and solid funding (see Box 4). UNDPs Governance Indicator Project (GIP) and OECD's Metagora project are also related to this form of assessment although these initiatives are not assessments per se.

Self-assessments may use internationally developed frameworks and approaches, adapting them to national and local needs. International IDEA's self-assessment approach has been piloted by in-country teams in eight countries in association with researchers from Leeds University (Bangladesh, El Salvador, Italy, Kenya, Malawi, New Zealand, Peru, South Korea), in addition the framework has been applied in assessments in South Asia, Australia, Mongolia and the Philippines among other countries. The method is comprehensive and focuses on assessing the functioning of democracy including progress and setbacks in developed and developing democracies according to a common model. Among its main aims are: to raise public awareness, spark discussions, provide systematic evidence of governance, help identify areas for reform, and assess how effective reforms are in practice (Beetham 2004: 4-5; Beetham et al. 2002:10).

The Governance Indicators Project of the UNDP is also wide in scope and endeavours to (1) build the capacities of national stakeholders in the use and development of indicators; (2) assist in the development of indicators around national development plans, and; (3) refine new and existing indicators in order to ensure that they are pro-poor and gender sensitive. Countries in which assessment missions have been undertaken include Afghanistan, Philippines, Malawi and Mongolia (Scott and Wilde 2006)[18]. The project builds onto International IDEA's work and also relies on other strategic partnerships (OECD Metagora network, University of Essex, DIAL and InWent).

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[16] For instance the Democratic Audit carried out in the UK. To date three audits have been carried out in the UK. Several countries have used the democratic audit methodology. For more information on this see,
http://www.democraticaudit.com/auditing_democracy/auditsworld.php   The State of Democracy project builds onto the UK audits.
[17] A total of five Scandinavian studies of power and democracy have been undertaken. The first was launched in Norway in 1972 when the Norwegian government commissioned a group of researchers to examine how power was distributed. This was followed by a Swedish study in the 1980s exhibiting great similarities with its Norwegian predecessor. A second round of power and democracy studies were initiated in the latter half of the 1990s, starting with Sweden in 1997, and Norway and Denmark in 1998. The Norwegian and Danish assessments were undertaken within a five-year period (concluded in 2003) and were largely parallel in nature, while the second Swedish study was less ambitious in scope (lasted for 3 years) and led by a parliamentary committee, not a steering committee composed of researchers.
[18] See also http://www.undp.org/oslocentre/docs06/about_the_governance_indicators_project.pdf

Box 4 The Norwegian study of power and democracy [19]

Two power and democracy studies have been undertaken in Norway, the last was conducted in the period from 1997-2003 and was a follow up to the study from the 1970s. The project was launched by the Norwegian Parliament and a steering committee consisting of five independent researchers was assigned responsibility for the project and enjoyed a wide mandate (NOU 2003). NOK 50 million (approx. US$8 million) were allocated to the project. A central outcome of the analysis has been the organisation and accumulation of a database of findings and arguments which can be used by different actors to impact on politics and to demand changes and advance demands. Close to 40 books and more than 100 articles/reports were produced as part of the investigation. The final report was given a wide dissemination through an official hearing process and was followed by the presentation of a white paper to Parliament. As a member of the steering committee states: "The process had legitimacy and autonomy. We could do what we wanted and no one could stick their nose into the process. No one could intervene."

Self-assessment in light of the Paris Declaration

Ownership and alignment

Self-assessments should in principle provide ideal conditions for fostering ownership and avoiding a paternalistic relationship. One of the distinctive features of IDEA's assessment framework is exactly the focus on country ownership of the assessment process. A basic assumption of the framework is that a country's own citizens should assess its democracy (Beetham et al. 2001; Beetham et al. 2002). In the same vain, UNDP's GIP is "designed to provide support to nationally owned processes for assessing and monitoring democratic governance".[20] A stated goal is to provide internal upward pressure for reform and to ensure that governance indicator systems become tools for accountability mechanisms by local stakeholders.

Setting out to be quite flexible in approach, the IDEA initiative to a greater extent than other assessments seems to ground action in the contextual realities of the countries concerned. Mongolia was the first country to conduct an assessment according to the IDEA assessment guidelines within a government led process including all stakeholders. The process is referred to as successful in terms of creating multi-stakeholder ownership. The development of democratic indicators including country specific characteristics has been put forward as key, and the process also illustrates that it is possible to deploy a comparative perspective and still entrench ownership (UNDP 2006; Hulan 2007).

In a developing country context, the external presence is still there in the form of outsiders providing 'assistance' during the process. The Mongolian assessment involved a host of external actors which provided advice, training, technical assistance, and financial support (UNDP 2006; Hulan 2007). The question is whether it is possible to entrench real ownership when the initiative is dependent on funding from external partners? Is it really home-grown? Would these countries have undertaken the assessment without the external 'drive'? Taking into account the multiple assessments undertaken in for instance Malawi and Zambia, what is the likelihood of these governments taking on even more without some kind of external encouragement?

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[19] The contents of this box is partly based on information provided by Per Selle in an interview conducted 16.08.2007 by Lise Rakner and Vibeke Wang. Professor Selle was member of the research group commissioned by the Norwegian Parliament to compile a report on Power and Democracy in Norway in the period 1998-2003.
[20] See, http://www.undp.org/oslocentre/flagship/governance_indicators_project.html

> **Box 5 The Democratic Governance Indicator framework in Mongolia**
> *Mongolia's self-assessment was undertaken according to the IDEA methodology (adapting it to a national context with guidance provided by UNDP). The development of a Democratic Governance Indicators (DGIs) framework was part of the follow-up to the 5th International Conference on New and Restored Democracies (ICNRD-5) held in the fall of 2003 in Ulaanbaatar. The ICNRD-5 adopted the Ulaanbaatar Declaration and Plan of Action which commit governments to instigate plans to strengthen democracy and establish mechanisms to assess the development over time. Other main components of the follow-up project were the development of a Country Information Note, a National Plan of Action, and a Civil Society Index. The Mongolia DGI process was led by a team of national researchers and appointed by the Government. The committee was selected in April 2005 and the final assessment report was presented in May 2006. Some of the reported key lessons learned from the DGI process are: the process should be nationally owned and at the same time draw on international expertise; it should be adapted to the country context but still include a comparative element; it should adopt a mixed, multi-disciplinary methodology, and; it should be institutionalised through establishment of national institutions and mechanisms. Mongolia's adoption of the Ninth MDG on democratic governance is by many seen as a way of institutionalising democracy assessment and democratic development (UNDP 2006; Hulan 2007).*

Alignment with national development plans (e.g. second generation PRSPs) and other political commitments should be taken into account during the self-assessment process. The UNDP approach is most explicit about the objective of alignment of governance to national development planning and delivery. This was one of the factors influencing the selection of indicators for the Mongolian DGI framework. A central dilemma in relation to ownership and alignment is how to overcome the fact that in terms of method, funding and intellectual origin self-assessment initiatives are largely externally driven. What implications does the external presence of donors have on possibilities for developing nationally owned databases and findings?

Harmonisation
There is considerable overlap between the UNDP and IDEA initiatives. UNDP bases its framework for selecting pro-poor and gender sensitive indicators on the basic principles and mediating values of IDEA's State of Democracy methodology, but adds to it by distinguishing between four senses in which indicators might be considered pro-poor or gender sensitive. Making use of the same frameworks is commendable in terms of harmonisation. A challenge with respect to achieving greater harmonisation is however that these assessments do not take into account the needs of external agents that have to account back to their home constituencies and that administer specific and different aid portfolios. This in turn constrains the willingness and ability of donors to harmonise assessments efforts and draw on the self-assessments which are undertaken.

Key discussion points

➢ In terms of method, funding and intellectual origin self-assessment initiatives are largely external. How can this dilemma be overcome?
➢ Self-appraisal is the form of assessment which in principle is most conducive for entrenching national ownership. How can external actors make the most of this form of assessment?
➢ Does self-assessments sufficiently meet donors' assessment needs? Aid actors have different purposes for measuring governance as well as different values. How can self-assessments be structured so that they also meet some of these needs?

4. A summary of challenges and issues for discussion

We started the paper with a provocative question considering the purpose of this conference: Are the Paris Declaration and the process of assessing governance contradictory agendas?

1. Linking the Paris Declaration's principles of harmonisation, alignment and ownership to three main forms of governance assessments (being assessed, peer review mechanisms and self assessment initiatives), the paper has pointed to a set of dilemmas, issues for further discussion and some potential solutions. A key challenge in terms of implementing the Paris Declaration is exposed in the observed proliferation of governance assessment initiatives: Development partners have their own individual agendas and administer distinct aid portfolios which may conflict with local needs and interests. The Paris Declaration commits donors to harmonise and align aid and thus puts the development community to test. So far, however, the Paris Declaration has not been driving the development.

2. The observed proliferation in governance assessments holds the potential risk of duplicating work already carried out, setting competing and multiple demands, emphasising short time frames, ignoring problems of capacity and to further the administrative costs of aid. The problems encountered are exacerbated by the fact that poor, aid dependent countries are exposed to more assessments than countries with more governance capacity.

3. The increase in governance assessment initiatives is partly linked to a diffuse governance agenda. While aid agencies acknowledge that governance matters for development performance and aid effectiveness their understanding of governance may differ.

4. In order to merge the process of developing diagnostic tools for enhancing governance and the principles of the Paris Declaration, it is necessary to establish a new arena or a 'third way'. A possible starting point could be to stimulate the undertaking of more self-assessments and peer-reviews. These forms of assessments in principle imply less involvement by external actors. They are based on local 'know-how', grounded in the local context and provide the best opportunity to entrench ownership of the development agenda.

5. While recognising external partners' valid need to undertake governance assessments, the current proliferation in governance appraisals is excessive and unnecessary. To address problems of proliferation, all external assessments should be aligned with, and draw on existing self-assessments and peer-review mechanisms. Moving towards more self-assessments is also sensible seen against the international trend towards less use of aid conditionality.

6. Political conditionality is a sensitive area of development aid and has largely been proved to be ineffective. The aid hegemony of the West is now challenged by non-traditional donors such as China and Brazil. If Western aid actors push too hard the risk of over-politicising the agenda is considerable. This could backfire and will most likely harm those that need the aid the most – the citizens of poor aid dependent countries. This again points towards support for self-assessment initiatives hereunder assistance in building local capacity, databases and empirical evidence which local stakeholders in turn can use to advance demands and interests.

Table 1. Key questions for further discussion

Form of assessment	Paris Declaration principles		
	Ownership/alignment	Harmonisation	Examples of assessment frameworks
Donor assessments	Can such assessments be owned by national governments? Is ownership realistic?	Given the often incompatible drivers, is greater harmonisation possible? When do individual governance assessments by donor agencies constitute a problem in light of the Paris Declaration?	DGA (USAID), SGACA (the Netherlands), CGP (EU), CGA (DfID), GP (CIDA), PCA (Sida, MoFA).
Peer reviews	Is ownership more realistic? How can further civil society engagement be enhanced? When and how does external involvement place limitations on ownership?	Is it possible to increase harmonisation by stimulating the undertaking of peer-reviews? Will donors utilise these assessments?	APRM, OECD
Self-assessments	Is ownership most realistic? Is ownership possible when the initiative and the intellectual 'drive' are external?	Is it possible to increase harmonisation by stimulating the undertaking of self-assessments? Will donors utilise these assessments? What if governance backslides and donors and development partner governments have diverging goals?	IDEA State of Democracy (UNDP's GIP and OECD's Metagora)

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SUMMARY

Is it possible to carry out governance assessments and develop diagnostic tools for enhancing governance while adhering to the principles of the Paris Declaration? Or, are the two processes largely contradictory? What measures can be taken to promote greater harmonisation and reduce transaction costs on recipient countries? This paper aims to highlight some issues and provoke a discussion on governance assessments in relation to the 2005 Paris Declaration on Aid Effectiveness' expressed goal of national ownership, harmonisation and alignment.

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