

# GOOD GOVERNANCE CHECKLIST<sup>1</sup>

First draft

## General Introduction

**The objective of the checklist = The relevance of political knowledge = The basis for political conditionalities**

In none of the studied (donor) documents the governance 'checklist' is a determinant factor in deciding whether or not a given country will receive budget, or sector or project support. Most of the donors however do make regular assessments on the political evolution of the recipient system. Why?

The political environment of the recipient country constitutes the working context for the donor community. Sound knowledge about that environment is crucial. Whether involved in the new modalities of budget or sector support, or sticking to the more traditional ways of project funding, the need for understanding the political system does not become more or less relevant. Illustration: A solid analysis of the political system might show that certain groups in society (women, certain ethnic groups or regions) are underrepresented in electoral bodies and/or systematically excluded from participation. This political exclusion is more often than not reflected in lower development scores (like higher levels of poverty, lower human development scores). It is important that donors – whether on the level of the budget or a project – take this knowledge on board for two important reasons:

- 1) To avoid that their aid interventions 'un-intentionally' strengthen and institutionalize these existing cleavages or exclusion patterns.
- 2) To feed into the policy dialogue (be it on the central or on the sectoral level) in which conditionalities can be introduced that tackle the problematic issues (fe pushing for collecting/disaggregating data – sex, regional, ethnic, religious affiliation - when doing poverty diagnostics, pushing for special programmes that envisage inclusion of certain groups with regards to access to certain services...).

Another donor ambition related to this checklist is to reduce subjectivity in political analysis. Ultimately the checklist should offer a relatively complete guide for making a sound and nuanced analysis of the political situation in the country, in which the space for 'human bias and error' is reduced to a minimum. This is why this checklist parts from existing datasets rather than open questions.

## **The structure of the checklist: the World Bank governance indicators<sup>2</sup> grouped**

The structure of the checklist is more or less based on following the governance indicators of the World Bank. According to the WB governance is defined as the traditions and institutions by which authority in a country is exercised for the common good. This includes

---

<sup>1</sup> Opm: the checklists van DANIDA en DGIS-NI waarvan we zijn uitgegaan zijn heel zorgvuldig opgemaakt en erg exhaustief. Ze zijn echter wellicht veel te gedetailleerd voor toepassing in België in de huidige fase. In wat volgt wordt een beperkte, vereenvoudigde en aangepaste vragenlijst voorgesteld geïnspireerd op de DANIDA, DGIS-NL documenten. Dit is een eerste poging om een min of meer gestroomlijnde vragenlijst te formuleren en dus waarschijnlijk niet geschikt om reeds onmiddellijk besproken te worden in de WG Budgethulp.

<sup>2</sup> The governance indicators of the World Bank were developed by Kaufmann, Kraay and Zoido-Lobaton. See [www.worldbank.org/publicsector/indicators](http://www.worldbank.org/publicsector/indicators). The reason for choosing the governance indicators rather than CPIA is related to the 'transparency' of the aggregation of the data. It is not at all clear how CPIA scores are constituted and on which data these scores are based. As such CPIA scores receive international criticisms for not being transparent. This does not imply that CPIA cannot be used in this checklist, quite the contrary, but the governance indicators are in this list considered as more trustworthy (for now).

- (i) the process by which those in authority are selected, monitored and replaced (measured by two indicators: Voice and Accountability - Political Stability/Absence of Violence),
- (ii) the capacity of the government to effectively manage its resources and implement sound policies (measured by two indicators: Government Effectiveness - Regulatory Quality)
- (iii) the respect of citizens and the state for the institutions that govern economic and social interactions among them (measured by two indicators: Rule of Law - Control of Corruption)

These indicators however can be split up so as to fit the two broad interpretations that exist of the governance concept: political good governance and technocratic good governance.

Political good governance refers explicitly to the very political elements of a system's functioning: how democratic is it? Is there a competitive party system? Are open and free elections regularly held? Are political and civil rights respected? Are human rights violations frequent? Is there a free press? Is government regularly threatened by violent upheavals that might destabilize the system? Is there rule of law?

Technocratic good governance<sup>3</sup> is less 'explicitly political' and refers a set of rules and institutions that constitute a system of public administration that is open, transparent, efficient and accountable. Here the indicators give an idea of how effective government is, what the quality of the bureaucracy is, how market-friendly government policies actually are, how much control of corruption is actually being done.

When studying a given country, the World Bank indicators do give a pretty good overview on the general political and technocratic situation in a country. Not only can one identify the absolute score of a country on all of the six indicators, more importantly one can get an overview of how the country is doing when compared to the region it belongs to, or to other countries in its income category, or how a given indicator has evolved over time<sup>4</sup>.

But the indicators do have their shortcomings. First of all, the indicators are already aggregates of different indicators. Secondly, and maybe more importantly, the indicators are updated only once every two years and this might make them less relevant, given the sometimes very dynamic or even unstable political environments of recipient countries, a problem. Thirdly, the indicators do not cover the full spectrum of what is considered important in political and technocratic elements of governance. Some elements can not be captured in quantitative scores, hence highlighting certain aspects in more qualitative terms can be very useful. Therefore we introduce in the checklist extra elements that allow to capture such additional information (based on scientific literature, donor documents).

### **Additional information to complete the political picture**

The important information that is not covered by the World Bank indicators is summarized in the column 'additional information needed'. For example: the indicator Voice and Accountability covers a wide range of aspects of the political process, but it does not give any specific/qualitative information on the role of parliament, nor does it indicate whether there are institutions that embody lateral accountability. The same goes for the indicator Political Stability: its incompleteness is mainly due to the lack of a description on whether or not local, regional conflicts are taking place and/or to what extent human rights are violated. These elements are therefore mentioned in the column 'additional information needed' and subsequently translated into 'guiding questions'. Where possible, a link

---

<sup>3</sup> Splitting up the indicators seems to be important because the technocratic interpretation of good governance strongly overlaps with the checklist PFM and the checklist Assessing the quality of PRSP. For now the checklist of technocratic governance is kept in this good governance checklist although it might be more appropriate to include the different elements in the other checklists. This should be an element for discussion at the next meeting.

<sup>4</sup> Or – which might be an interesting exercise at head quarters - comparing the governance scores of different partner countries.

is given to datasets or reliable sources of information which can give an important input in giving a nuanced and complete answer to the listed questions<sup>5</sup>.

All the above gives a more or less comprehensive overview of what politics is all about in a given country, but it does not yet address the PRSP dynamics either as a document or as a process. This is why a last column is added to the indicators: this last column contains indicator specific questions that draw the attention to the PRSP(process).

Finally, there is one very important indicator that is not covered by any of the datasets available, yet it merits special attention when talking about political good governance: political commitment. For this a separate set of questions was developed to cover this important issue.

---

<sup>5</sup> More links will be inserted throughout the development of this checklist. Due to time constraints the links to datasets or reliable sources of information are still very incomplete.



		* dialogue gvt – civil society	Is civil society regularly consulted by government?	How has civil society been involved in the PRS? Which were the contributions of civil society to the PRSP document (if any)?
- rule of law	<p><u>Rule of Law – KKZ / CPIA: rule based governance</u></p> <p>The extent in which agents have confidence in and abide by the rules of society. These include the perceptions of the incidence of crime, the effectiveness and predictability of the judiciary, the enforceability of contracts. Together they measure the success of a society in developing an environment in which fair and predictable rules form the basis for economic and social interactions, and importantly, the extent to which property rights are protected.</p>	* quality, transparency justice department	<p>Is governmental action underscored by the law?</p> <p>Is the Judiciary independent?</p> <p>Generally speaking are government institutions (especially justice department) seen as trustworthy? (<i>Afrobarometer, Latinobarometer</i>)</p>	
- Political commitment		* General government commitment	Describe past experiences with government commitment : e.g. did government meet previous (political) conditions, the willingness to reform, to combat corruption, ...	Is there political commitment to the PRSP at the highest political level? Have national authorities drawn up the PRSP? Who has ownership in gvt: Finance & Planning or also other Ministries / local agents?

**TECHNOCRATIC GOVERNANCE**

<b>Definition</b>	Performance of the system in terms of <b>decision-making and implementation</b> Quality of policies Quality implementing structures (bureaucracy)			
	<b>INFORMATION COVERED BY WB INDICATORS</b>	<b>ADDITIONAL INFORMATION</b>	<b>GUIDING QUESTIONS</b>	<b>SPECIFICALLY APPLIED TO PRSP</b>
- government effectiveness	<u>Government effectiveness - KKZ</u> Quality of public service provision, quality of bureaucracy, competence of civil servants, independence of civil service from political pressures, credibility of the gvt's commitment to policies. Focus of this index is on inputs required for the gvt to be able to produce and implement good policies and deliver public goods	* Intra-gvt coordination  * planning-budgetting-implementing capacity  * Absorption capacity  * new institutional reforms that are underway	Are government priorities clearly visible in terms of annual work plans and budgets? Do central ministries, sector ministries and local agencies have the necessary management and technical capacity to implement policies in a cost-effective manner?  What kind of technical assistance is needed in order to strengthen the public sector capacity to formulate, plan and implement its mandate? Identify the main gaps.	Have the line ministries been involved in drawing up the PRS? Coordination between sectors and central level? Between central level and decentralized level? Are the roles and responsibilities of the key players clearly defined (and enforced)?  Has the PRS been integrated into the planning and implementation systems of relevant institutions and the government? Is the PRSP translated into the budget? Is there coherence between PRS and other existing national development plans?  Does the PRS include reforms to improve the working of the public sector, public administrative reforms, civil services reforms, pay reforms, etc?
- quality of policies	<u>Regulatory Quality - KKZ</u> Focus on the policies themselves: measures the incidence of market-unfriendly policies such as price controls or inadequate bank supervision, perceptions of the burdens imposed by excessive regulation in areas such as foreign trade and business development	* equitable development – poverty reduction  * protection minorities	See also Quality of PRSP  What measures are undertaken for the protection of minorities / vulnerable groups in society?	Is the PRSP effectively pro-poor? Link MDGs?  Does the PRS specifically address these vulnerable groups?

<p>- anti-corruption:</p>	<p><u>Anti-Corruption - KKZ</u>          Perceptions of corruption, ranging from the frequency of additional payments to get things done, to, the effects of corruption on the business environment, to measuring "grand corruption" in the political arena or in the tendency of elite forms to engage in state capture</p>	<p>* commitment and effectiveness of structures to combat corruption</p> <p>* attitude gvt/parliament/civil society/private sector?</p> <p>* transparency, public availability gvt documents</p>	<p>Are there new/recent structures called into life to tackle corruption? Were there recent achievements/successes combating corruption?</p> <p>Does the media/civil society/government/parliament play a pro-active role in tackling corruption?</p> <p>Is there a clear commitment to transparency as a principle of governance, including information to the public on the formulation, implementation and results of policies and services? Are gvt documents easy accessible? Is gvt pro-active in informing the public?</p>	<p>How is the public informed about PRSP?</p>
---------------------------	--	--	---	---