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Lessons Learned in the Measurement and Assessment of Governance

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Development Policy Management Division

Background paper to the Ad-hoc Expert Workshop and the Recommendations from the Workshop, Experts on "Measuring and Monitoring the Progress Towards Good Governance in Africa—Lessons Learned", at the United Nations Conference Center, Addis Ababa, Ethiopia, December 7-8, 2004.

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Acronyms

ADB	African Development Bank
ADF IV	Fourth African Development Forum
AGF	African Governance Forum
AGI	African Governance Institute
AGR	African Governance Report
APRM	African Peer Review Mechanism
AU	African Union
CODESRIA	Council for the Development of Social Science Research
DMD	Development Management Division
DPMD	Development Policy Management Division
ECA	Economic Commission for Africa
EU	European Union
IDASA	Institute for Democracy in South Africa
NEPAD	New Partnership for Africa's Development
NGOs	Non-Government Organizations
OECD	Organization for Economic Co-operation and Development
SAPAM	Special Action Programme for Administration and Development
SIA	Special Initiative for Africa
SRO	Subregional Office
UNDP	United Nations Development Programme

Introduction

1. Within the last decade, there has been an emerging consensus in Africa that good governance is a *sin-qua-non* for development. This consensus has been crystallized in two major initiatives on the continent. These are the New Partnership for Africa's Development (NEPAD) and the African Union (AU). Both NEPAD and the AU affirm the centrality of good governance in achieving peace, stability, security and economic development on the continent. The NEPAD document states that "development is impossible in the absence of true democracy, respect for human rights, peace and good governance", and therefore commits African countries to uphold the principles of democracy, transparency, accountability, respect for human rights and the rule of law¹. The African Peer Review Mechanism (APRM) is to serve as a self-monitoring and evaluation tool in conforming to this commitment. Similarly, one of the main objectives and guiding principles of the AU as contained in the Constitutive Act of the Union is the "respect for democratic principles, human rights, the rule of law and good governance"².

2. Based on this emerging consensus, different national, regional and international institutions have taken various initiatives to promote the cause of good governance in Africa. The United Nations Development Programme (UNDP), which has national governance programmes in its country offices, is currently thinking through a new proposal on the African Governance Institute (AGI). The Economic Commission for Africa (ECA), initiated a major intervention at the level of knowledge production, research, documentation and capacity gaps on governance with the project: "Monitoring and Assessing the Progress Towards Good Governance in Africa", which commenced in 1999. The project is to culminate in the production of the African Governance Report (AGR). The report, which is in its penultimate stages of completion, is expected to be released next year (2005). A synthesis of the report was presented to the Fourth African Development Forum (ADF IV) from 11-15 October 2004 in Addis Ababa, Ethiopia, organized by the ECA. The AGR is the most rigorous and comprehensive study on governance in Africa.

3. This study, "Lessons Learned on Monitoring and Assessing the Progress Towards Good Governance in Africa", is to take an introspective view, reflecting on and evaluating the entire process of the AGR project. What were the issues that came up during the course of the project? What were the problems, and challenges confronted in the course of the study both by Development Policy Management Division (DPMD)—ECA team and the national institutions? How can the methodology be improved upon to increase the efficiency of the project and improve the reliability of results? How is the question of financing for the project to be addressed? What alternative approaches may be considered in undertaking AGR II? These are some of the issues to be addressed by this paper.

4. The paper is divided into five main sections. Section one is the introduction; section two captures the background, essence and entire processes of the project. In other words, how the project was conceived and carried out. Section three is on revisiting the core issues benefiting from the "lessons of experience"; section four considers alternative approaches towards AGR, section five is on AGR II, and the last section is the conclusion.

2. The Project

2.1. Genealogy and Context

5. While the AGR is the latest initiative of ECA on governance in Africa, since the 1980s the organization has been advocating good governance as a necessary condition for economic turnaround in Africa, and as such has taken some bold steps and undertaken various programmes in this direction. In 1998 ECA undertook the Khartoum International Conference on the Human Dimension of Africa's Recovery and Development. In 1990 ECA was a major actor and organizer of the Arusha Conference, which produced the African Charter for Popular Participation in Development and Transformation. In his presentation to the conference, Adebayo Adedeji, the then Executive Secretary of ECA noted that:

Self-reliant development requires, and indeed, demands universally in Africa, the politics of consent and consensus, the politics of conviction and commitment, and the politics of compassion and accountability. Consensus politics is involving people in the process by which policies are developed, listening to what they have to say and adapting the approach of the leadership and government to these³.

6. The Arusha document, which constitutes a milestone in the political discourse of development in Africa, argues that the lack of popular participation in development is at the heart of the economic, political and social crises in Africa. Measures that were advocated for by the Charter include freedom of association, representation of the people and their organizations in national bodies, the rule of law and economic justice, press and media freedom to facilitate public debate, political accountability of the leadership at all levels by the use of checks and balances, decentralization of decision-making processes and institutions and better involvement in the development process⁴. These issues form important elements of ECA's African governance project.

7. The Arusha declaration was followed by the Development and Special Action Programme in Administration and Development (SAPAM) regional project, implemented from 1990-1993 with funding from the UNDP. Through it, ECA sought to improve the administration and management capacities of public institutions in Africa by conducting workshops for senior policy makers in the areas of ethics, and accountability, civil service reforms, role of non-governmental organizations (NGOs), private sector development and the improvement of public service productivity and performance.

8. Furthermore, from 1997, ECA in partnership with UNDP initiated the African Governance Forum (AGF). The first was held in Addis Ababa, Ethiopia in 1997, the second in Accra, Ghana, 1998, the third in Bamako, Mali in 1999, the fourth in Kampala, Uganda in 2000, and the most recent was held in Maputo, Mozambique in 2001. The aim of the forum was to create a platform for different stakeholders to dialogue on critical governance issues of pressing concern to the continent.

9. In operational terms, ECA's past activities aimed at promoting good governance and building the "capable state" in Africa have focused on advocacy, advisory services, and capacity building in five major areas. These are: reform of the public sector to provide an enabling business environment, reform of the legal and regulatory frameworks, enhancing the role of the private sector, promoting gender equality in public policies and programmes, and strengthening civil society organizations and

their participation in governance and development⁵. A more focused and systematic approach to governance was adopted by ECA when it created the Development Management Division (DMD), with governance as one of its mandates.

10. It is these accumulated experiences that provided the conceptual and analytical basis for the current governance project by ECA. The African governance project is a partial response to the challenge and opportunity provided by the UN System-wide Special Initiative for Africa (SIA), in which the Secretary General emphasized the goal of strengthening governance and promoting popular participation in Africa. The Secretary General called for innovative practices and alliances between the United Nations system and organizations of civil society in promoting democracy, peace building and development in Africa.

11. In fashioning the project, ECA was guided by the following working hypothesis:

- Poor governance is at the root of state failure, economic mismanagement, poor policy planning and debilitating poverty in Africa;
- An over-extended and incapable state often displays poor delivery of services, cannot provide good legal and regulatory frameworks for businesses and private sector development, and retards economic growth;
- Lack of transparency, accountability and effective/ independent oversight institutions (which are features of poor governance) promotes corruption, resource misallocation and poverty;
- Closed political, administrative and law enforcement systems, which lack popular participation disempower the people, stifle their creative and productive energies and stunt development; and
- Good governance is a major facilitator of social order, political stability, economic progress and national development.

12. It is against the background of these working hypotheses that ECA embarked on the elaborate and costly project of “Monitoring and Assessing the Progress Towards Good Governance in Africa”, which began in September 1999.

2.2. Definition and Objectives

13. Governance has been variously described. For some, it is the effective management of state affairs⁶. To some others, governance refers to the totality of the exercise of authority through formal and informal channels in the management of a country’s affairs⁷. What can be regarded as a working definition of governance by ECA was provided by the Expert meeting convened by the organization at the commencement of the project in September 1999:

Governance is a process of social engagement between the rulers and the ruled in a political community. Its components include (i) rule making and standard setting (ii) management of regime structures and (iii) outcome of the social pact⁸.

14. For ECA, the conceptual notion of governance should emphasize good governance. That is the effects of governance on the livelihood of the people at reducing poverty, promoting economic growth, and ensuring democratic stability. As such, in operational terms, the components of good governance are: (a) an efficient state, (b) constitutionalism and the rule of law, (c) participatory democracy, (d) transparency and efficient economic management and (e) citizens' and civil society's empowerment.

15. There are three major agencies of good governance in ECA's conception. These are (i) a capable democratic state, (ii) a virile civil society and (iii) a thriving private sector. A capable democratic state is a state that has functional institutions, makes and enforces rules, promotes public order, engenders popular participation and delivers public services efficiently to the people. Indeed, the notion of a capable democratic state has been a major thrust of the governance agenda of ECA. On the interface between a capable democratic state and good governance, K.Y. Amaoko, the Executive Secretary of ECA notes:

A capable state is one in which peace and security are guaranteed over a sustained period. Without peace, there can be no long-term development. And without good governance, there is seldom peace. A capable state creates an enabling political and legal environment for economic growth and promotes the equitable distribution of the fruits of growth. But growth must be coupled with policies that deliberately attack poverty and promote education, health and social safety nets⁹.

16. Against this background, the objectives of ECA's governance project are:

- To conceptualize and define good governance in a functionally transparent manner and establish criteria for measuring and monitoring good governance in the face of historical, socio-political and economic disparities among African states;
- To develop, sustain and internalize the norms of good governance within the public and private realms by sharing best practices among different stakeholders;
- To develop a better understanding of governance processes, mechanisms and policies, promote analytical, sound dialogue on governance and maintain governance issues on the agenda of policy makers;
- To assist the institutional capacity assessment by identifying capacity gaps and propose relevant interventions, actions and programmes to address them; and
- To assist in developing institutional capacity for governance assessment at the national level.

2.3. Scope, Methodology and Uniqueness of Study

17. These are the major objectives set by ECA's study. But what is the scope of the study, the methodology adopted and what is unique in the study?

Scope:

18. The governance project covers five major areas. These are:

- Political governance;
- Institutional effectiveness and accountability;
- Economic management and corporate governance;
- Human rights; and
- Capacity development.

19. **Political Governance:** It deals with the institutions, structures and processes of political representation. These include the nature of the political regime, inclusiveness and social distribution of political power, openness of the political system in allowing popular participation in decision-making, legitimacy of the political framework, nature and credibility of the electoral system and institution, and the nature and functioning of political parties.

20. **Institutional Effectiveness and Accountability:** This deals with the institutional checks and balances in the political system aimed at promoting accountability, transparency, and an efficient public sector. Issues of separation of powers, the independence and countervailing powers of the legislature and judiciary on the executive, the functioning of the legislature in terms of its primary responsibilities of law making, legislative oversight, and the protection of the public interests are addressed. Also, the functioning of the judiciary in terms of issues of recruitment, tenure and remuneration of judges, the funding, infrastructure and operational context of the judicial system, and access of the people to justice. Furthermore, the nature of the civil service, oversight and regulatory institutions like the Ombudsman, public complaints commission, and the anti-corruption commissions. The extent to which public institutions deliver services efficiently in terms of quality, access and affordability is addressed under this theme.

21. **Economic Management and Corporate Governance:** This theme focuses on the macro-economic regime instituted by governments, public sector financial management, budgetary systems, revenue mobilization and the tax system, public procurement, investment codes and laws, property rights, private sector development, privatization programmes and the informal sector.

22. **Human Rights:** This area is centred on the human rights regimes in African countries. What legal framework is there for human rights protection? What is the level of adherence to the rule of law especially by the political leadership? How accessible are the courts and the judicial system to the people? To what extent are the rights of women, children, disabled and other marginalized groups in society protected? How do law enforcement agencies – police, prison services, and the military and para-military organizations fare in the protection of human rights? What is the role and how effective are national human rights institutions in the protection of human rights? And how can the human rights regimes be improved upon in Africa? This section of the project covers all of these issues.

23. **Capacity Development:** This section of the project addresses the capacity gaps in state and non-state institutions and the steps that can be taken to address those gaps. The institutions focused upon include the legislature, executive, judiciary, civil service, political parties, electoral institutions, and the private sector.

Methodology:

24. The methodology for the study consisted of a research instrument with three components. These are a national expert opinion survey, a national household sample survey, and a desk research.
25. The **National Expert Panel Study** used a group of national experts, numbering about 100 on average, in each country, which was carefully drawn to ensure representation with regard to age, social status, education and field of training, political orientation, the private sector, civil society organizations, and ethnic, regional and religious background as well as gender balance. The research instrument used was in “cafeteria” format, which was formulated and fine-tuned by distinguished groups of experts on Africa in conferences held at ECA in September 1999, March 2000 and April 2001.
26. The **Household Survey** captured the perceptions of the general population of households on the state of governance in each country with regard to different aspects of governance including principal national problems and the accessibility, adequacy, and efficiency of government services. The national household surveys often used a stratified two-stage probability sample ranging from some 1,300 to about 3,000 households in each country to represent a cross-section of the population (i.e., rural and urban, poor and middle class, the educated and the illiterate). The instruments for the Expert Panel Study and the National Household Sample Surveys were subjected to a pre-test in South Africa and Benin before the final project launch in October 2001.
27. The designs for the implementation of the sample surveys were approved by ECA before undertaking fieldwork and the data from the expert panel studies and the national household sample surveys were further subjected to rigid quality control to ensure that they were reliable and credible.
28. Finally, **desk research** was used to gather factual information and hard data to supplement and complement the perceptions from the expert panel studies and the national household surveys.

Unique Features of the Project

29. The following features are unique to the ECA's governance project:
- It is a major African initiative on governance, which was undertaken primarily by Africans;
 - The scope of the project is very comprehensive and encompassing, covering the spectrum of political and economic governance;
 - The notion of national ownership and legitimacy is germane to the project. In order to achieve this, three steps were taken by ECA. First, a national institution was selected in each country, through a competitive process, to conduct each country study. Secondly, two national workshops were conducted in each country to build and mobilize stakeholders before and after project implementation. Thirdly, five subregional workshops were organized to mobilize and build consensus and ownership on good governance in the regions;
 - The combination of research instruments used is unique for a governance study: the expert opinion survey, the household survey and desk research. More often, institutions doing studies on governance adopt one or two of these research instruments and not all three. These complementary research instruments provide a basis for greater reliability

of research results and a useful input for policy formulation;

- The national household sample survey provides a unique dimension to the governance study. It gives voice and power to the general population (especially the ordinary people), in assessing governance institutions and outcomes in their own countries; and
- Capacity issues aimed at enhancing the performance of governance institutions in Africa were addressed by the study, which is rarely the case in a study of this nature. More often, governance studies stop at the level of documentation and hardly prescribe concrete steps for governance improvement.

2.4. Processes and Implementation

30. ECA's governance project underwent several stages and processes of implementation. We shall discuss some of the important phases of the project.

Setting the Ball Rolling: Inaugural Expert Meeting-September 1999

31. Between 20-22, September 1999, ECA convened a major expert meeting to deliberate on the idea of the project, "Monitoring and Measuring the Progress towards Good Governance in Africa". Over 40 experts were invited to the meeting, with representatives from UNDP, AU and other organizations. The objectives of the meeting were:

- To engage in in-depth discussions on critical issues of concern regarding governance in Africa covering the concept of governance, to identify broad elements of good governance within the African and global context, to determine the factors that influence good governance, indicate the conditions and systems vital to good governance, and design mechanisms for promoting participation, accountability, transparency, rule of law, civil liberties, and a free and fair electoral process;
- To develop parameters including indicators, methodology, modalities, etc. for measuring and monitoring good governance in Africa and provide a conceptual framework of good governance in the African context;
- To make recommendations on the way forward by defining stakeholders' roles and involvement in measuring, analysing, and monitoring governance in Africa; and
- To suggest the format, constraints (domestic and international), periodicity, and countries to select for the "Pilot Study on Governance in Africa".

32. Three papers were commissioned and presented at the workshop. These were: "Governance Indicators for African Smart States of the 21st Century" by Dele Olowu, "An African Governance Barometer? Measurement and Monitoring Issues" by Goran Hyden, and "The Political Underpinnings of Economic Governance" by Smita Singh.

33. At the end of the workshop some key issues germane to the project were addressed:

- Governance was conceptualized and its components identified;

- Some tentative indicators were proposed for the project covering the areas of governance identified;
- Some environmental factors that have to be taken cognizance of in conducting a governance study were identified; and
- A proposal was made on the need to call further meetings/workshops to refine the indicators and fine-tune the methodology for the project.

Design, and Refinement of the Research Instruments, Indicators and Methodology of Project

34. ECA organized three workshops in which the issue of methodology in terms of the research instruments, indicators and questionnaire were addressed. Apart from the in-house staff of ECA, several experts on research methodology and governance and organizations like the African Development Bank (ADB), the European Union (EU), AU and the Organization for Economic Co-operation and Development (OECD) were invited to the meetings.

At every stage, modifications were made; the technical soundness, consistency and reliability of the research instruments were tested. Some of the critical questions that were addressed by those workshops include:

- What should be the range of research questions for each of the research instruments especially C1 and C2?
- How should the questionnaire be designed and formatted to make it clear, unambiguous, non-repetitive, and relevant to the project?
- How should the respondents be selected?
- How will the reliability and comparability of responses be assured?
- How should the research instruments be administered?
- How will collation, data analysis and interpretation be done?
- How will national peculiarities be accommodated in the application of the research instruments?
- What are the likely methodological constraints and operational problems that may be confronted in the process of fieldwork on the project?
- How will the project management, supervision and quality assurances be conducted?

35. These three workshops deliberated extensively on those issues and came up with specific recommendations, which were to form the methodological guide for the project.

Pre-Testing of Research Instruments

36. After the finalization of the research instruments, they were pre-tested in two countries: Benin Republic in August 2001 and South Africa in September 2001. The essence of which was to ensure the

technical reliability of the research instruments, the practicability of their application, and the validity of the results and possible challenges that may be confronted by the research tools.

Selection of National Institutions

37. National institutions were selected through a competitive bidding process to conduct the national country studies of the project. The bid proposal submitted by the competing organizations formed the basis for their evaluation and eventual selection. The proposals were written based on the framework stipulated by ECA for the project. The emphasis in the selection process included technical competence, resources available (including human capacity), and the estimated budget for the work. The selection of national institutions proceeded in the phases of the research.

Phase I Countries	Benin, Botswana, Ghana, Kenya, Malawi, Mali, Namibia, Nigeria, Senegal, South Africa, Tanzania and Uganda
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Phase II Countries	Burkina Faso, Egypt, Ethiopia, Gabon, Gambia, Lesotho, Mauritius, Swaziland, Zambia and Zimbabwe
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Phase III Countries	Cameroon, Chad, Morocco, Mozambique, Niger and Rwanda
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38. Countries were selected by ECA based on the objective conditions in those countries, logistical reasons and availability of resources.

Pre-Launch Workshops

39. Three pre-launch workshops were held between 2002 and 2003 according to the three phases of the research. The workshops were held in order to familiarize the collaborating institutions with the project, dialogue with them and elicit their views on the best ways to conduct the research. The pre-launch workshops were interactive sessions in which ECA team made presentations on the rationale, scope, methodological and processes of the project. The selected national institutions sought clarification on areas of the project that were not clear to them, their work plan, and possible constraints and challenges that they may face in the course of the research. In a nutshell, it was a penultimate project take-off stage.

National Research Process

40. Several stages were undertaken in the national research process. These include:

- **National Launch Workshops:** These were meant to provide a buy-in point for major stakeholders to contribute to the conduct of the research by making inputs into the issues of methodology, processes and implementation and claiming national ownership for the project. As such, the national institutions made deliberate efforts to invite the informed segments of society from diverse vocations. These included policy makers, bureaucrats, academics, politicians, civil society activists, organised labour and professional groups;

- **Field Work and Conduct of the Research:** The research institutions organized the best ways to conduct their research. Some had sufficient in-house staff that could do it, while others had to hire personnel. Indeed, some outsourced some parts of the research. For instance, the Institute for Democracy in South Africa (IDASA), contracted out the data gathering and analysis component of the work. An organization called 'Markinor' conducted the interviews for the expert panel survey, while 'Research Surveys' did that of the household survey. In most cases, ECA encouraged the national institutions to work in collaboration with the country's National Office of Statistics (where they existed), in the process of mapping and possibly data collection for the household survey because of their appropriate expertise and existing infrastructure;
- **Preparation of the National Country Reports:** After the fieldwork, the next task for the national institutions was the collation, analysis and interpretation of the data and the final preparation of the report. The three components of the research had to be integrated in the final report submitted to ECA. However, after the final submission of the country reports, they were reviewed by ECA and comments made for the further revision of the report before being finally accepted, ensuring that it conformed to the basic standards and framework of ECA guidelines;
- **National Stakeholder Workshops:** These were held in all but three of the countries where the study was conducted, essentially to make available and popularize the country report to a local audience in order for them to access the main findings of the study. It is important to emphasize that this workshop was not meant to question the methodology of the study or invalidate the research or findings, but to share with the people the findings and explore ways to improve governance practices in the country; and
- **Subregional Stakeholder Workshops:** The subregional workshops were related to two major interrelated processes: The African Governance project and the IV African Development Forum (ADF IV), which was on the theme "Governance for a Progressing Africa", held from October 11-15 2004.

The main objectives of the workshops were to:

- Provide a forum to discuss major findings of the country reports;
- Bring stakeholders together in each subregion to dialogue on governance issues, identify subregional features, perspectives and priorities;
- Serve as a build-up to ADF IV where a specific regional agenda could be developed for presentation at the forum; and
- Build consensus on governance in each subregion, share experiences and devise strategies to improve governance in the region.

41. The subregional workshops were held in the five regions of the continent.

2.5. Outputs of the Governance Project

42. There are three outputs from the African Governance project. These are (i) The African Governance Report (AGR), which is a synthesis of the country reports on the main areas of the project (ii) the country reports and (iii) the country profiles. A country profile is a derivative of the country report. It could be regarded as an abridged version of the country report that captures the key issues in that report.

43. The AGR has seven chapters: These are: Political Governance, Institutional Checks and Balances, Public Sector Management, Private Sector Development, Institutional Effectiveness and Accountability of the Executive, Human Rights, and Institutional Capacity Development.

3. Revisiting Core Issues: Lessons of Experience

44. There are several issues that arose in the course of the research both for ECA and the collaborating national institutions, which constitute the “lessons of experience” that require being reflected upon with the aim of improving on the methodology, processes, implementation and cost of the project. These issues are discussed below:

3.1. Methodology

45. The methodology of the study is a core issue that needs to be reviewed as evidenced by the responses to the questionnaire by those who participated in the project at one phase or the other, including ECA staff, consultants and collaborating national institutions. Some of the issues that were raised are:

- The general view on the length of the C1 questionnaire is that there are too many questions, and that it is unwieldy and duplicating. There is a need for drastic revision.
- The long criteria for selecting respondents for the C1 data does not seem to consider the national peculiarities of some countries and may, in some contexts, favour a particular group over others. For example, in the case of South Africa, IDASA, which conducted the national country study, noted “At the time of the survey the leadership of the organizations from where the experts were drawn remain largely untransformed, with a majority of the senior positions still being occupied by white males. Thus, in the South African context, while stringent attempts were made to ensure sample representivity, due regard must be given to the historical legacies of race, gender, and other exclusionary indices”¹⁰.
- The emphasis on head of households as the main respondent for the C2 questionnaire created three major problems: i) Gender bias: as men are oftentimes heads of household in most, if not all African countries; (ii) Heads of household being breadwinners are often absent from home which poses serious challenges for the administration of the questionnaire; and (iii) Conceptual issues: In some countries children are ‘breadwinners’, does this qualify them as ‘heads of households’?
- Related to the ‘cafeteria’ format of the questionnaire, the range of options in the questionnaire format has to be reconsidered. It is sometimes clumsy, confusing and does not make the options clearly mutually exclusive;
- C2 is grossly inadequate on the issues of economic management and corporate governance;
- Traditional governance and HIV/AIDS are not covered in either C1 or C2; and

- The cost of the C2 data gathering was perceived to be too expensive and needs to be revisited.

46. In addressing these issues, it would be essential to do a comparative analysis of the methodology adopted by some organizations engaged in survey-based projects similar to that of the ECA governance study (Table 1).

Table 1: Methods Applied in Measuring and Assessing Governance

Governance survey or index instrument	Description	Number of countries covered	Governance variables used	Methodology
Afrobarometer (AFR)	Launched in October 1999 the AFR is a joint enterprise of Michigan State University, IDASA and CDD-Ghana and reports the results of national sample surveys on the attitudes of citizens in selected African countries towards democracy, markets and other aspects of development.	12 (Africa)	<ul style="list-style-type: none"> • Voice and Accountability (Satisfaction with democracy) • Government Effectiveness (Trust in Police) • Corruption 	For inferences to national adult populations with a sampling error of +/- 2.5% and a confidence level of 95%, the standard AFR sampling size consists of 1200 cases of a randomly selected, representative cross-section of citizens of voting age. In large countries (South Africa, Nigeria) the sample is increased to 2400 cases.
Business Environment and Enterprise Performance Survey (BEEPS)	BEEPS examines a wide range of interactions between firms and the state and was developed by the World Bank and the European Bank for Reconstruction and Development. In the first round in 1999-2000 it surveyed 4,000 firms and in 2002 2,100 firms were surveyed.	22 transition economies in 1999-2000 27 transition economies in 2002	<ul style="list-style-type: none"> • Government Effectiveness (3) • Regulatory Quality (6) • Rule of Law (9) • Corruption (5) 	Survey of private sector firms.
Business Environment Risk Intelligence (BRI, QLM)	Private source of analysis and forecasts of the business environment in developed and developing countries. Founded in 1966, BRI monitors 50 countries three times per year assessing business risk (BRI) and foreign lending risk (QLM).	50 (BRI) 115 (QLM)	<ul style="list-style-type: none"> • Political stability (9) • Government Effectiveness (1) • Rule of Law (2) • Corruption (2) 	BRI convenes 2 permanent panels (one on political conditions, one on business environment) of 105 experts from around the world. On the basis of analyst reports the panels provide country ratings using the Delphi method.

Governance survey or index instrument	Description	Number of countries covered	Governance variables used	Methodology
Country Policy and Institutional Assessment (CPIA)	CPIA annually assesses the quality of World Bank borrowers' policy and institutional performance in areas relevant to poverty reduction and growth. Prepared by the bank's country economists, the ratings for each of 20 individual criteria reflect a variety of indicators, observations and in-house judgments.	136 (developing countries)	<ul style="list-style-type: none"> • Government Effectiveness (3) • Regulatory Quality (3) • Rule of Law (1) • Corruption (1) 	CPIA consists of 20 equally weighted criteria representing policy dimensions of poverty reduction and growth strategies. The criteria are grouped in 4 clusters (Economic Management, Structural Policies, Policies for Social Inclusion and Equity, Public Sector Management) and assessed on a scale of 1 (low) to 6 (high).
State Failure Task Force State Capacity Survey (CUD)	Developed at Columbia University in 1999, this task force developed a survey of country experts to measure state capacity in developed and developing countries. It covers the five broad categories of political context, state legitimacy, human resources, institutions, and overall capacity.	108 (2000) 98 (2002)	<ul style="list-style-type: none"> • Voice and Accountability (2) • Political Stability (4) • Government Effectiveness (11) • Rule of Law (2) • Corruption (5) 	31 multiple-choice questions and three open-ended questions are submitted to 164 experts.
Global Insight's DRI/ MCGraw-Hill (DRI)	Founded in 1973, DIR is an economic consulting company providing data, analysis and forecasts to financial analysts and policy makers. In 1996 it launched the Country Risk Review (CRR), a quarterly publication providing country risk assessments to investors.	117 developed and developing countries	<ul style="list-style-type: none"> • Political Stability (6) • Government Effectiveness (3) • Regulatory Quality (5) • Rule of Law (4) • Corruption (1) 	A first draft of short- and long-term risk ratings consisting of 33 'immediate risk events' and 18 'secondary risk events' is produced by country analysts and submitted to regional review committees. A global risk service committee then evaluates the assessments to ensure cross-country consistency.
European Bank for Reconstruction and Development (EBRD)	Beginning in 1996, the EBRD conducts annual surveys of local public officials, firms, academics and other experts to assess progress made in financial legal reforms among 26 CIS transition countries.	25 CIS transition countries	<ul style="list-style-type: none"> • Regulatory Quality (7) 	The annual Transition Report presents eight subjectively based 'Transition Indicators' representing 'cumulative progress in the movement from a centrally planned economy to a market economy'.
Economist Intelligence Unit (EIU)	In 1997, EIU launched two quarterly publications (Country Risk Service, and Country Forecasts). They contain some governance measures and are based on contributions from a global network of 500+ information gatherers and checked for accuracy and consistency by a regional experts panel.	115 developed and developing countries	<ul style="list-style-type: none"> • Voice and Accountability (5) • Political Stability (4) • Government Effectiveness (3) • Regulatory Quality (5) • Rule of Law (8) • Corruption (1) 	Data collection by local correspondents, panel of regional experts.

Governance survey or index instrument	Description	Number of countries covered	Governance variables used	Methodology
Freedom House (FRH, FNT)	'Freedom in the World' (FRH) is an annual publication launched in 1978 evaluating political and civil liberties around the world based on subjective assessments from checklists of rights. 'Freedom House Nations in Transit' (FNT) launched in 1995 is based on country surveys written by staff and checked against a list of issues.	192 (FRH) 28 transition countries (FNT)	<ul style="list-style-type: none"> • Voice and Accountability (6) • Government Effectiveness (1) • Rule of Law (1) • Corruption (1) 	Freedom House develops its assessments using a team of academic advisors, in-house experts, published resources and local correspondents. Staff also conduct fact-finding missions and an academic advisory board provides input to the project in general.
Gallup International (GAL, GMS)	In 1999 the Gallup International Millennium Survey (GMS) polled 57,000 adults covering a wide range of topics of political, ethical and religious nature. In 2002, Gallup also initiated a worldwide annual survey called the Voice of the People interviewing citizens on global issues.	60 (GMS) 46 (Voice)	<ul style="list-style-type: none"> • Voice and Accountability (6) • Government Effectiveness-(1) • Rule of Law (2) • Corruption (2) 	
World Economic Forum (GCS, GCSA)	Since 1996 the WEF publishes Global Competitiveness Report which is based on a survey (GCS) of 3000 firms assessing eight broad areas including Openness, Government, Finance, Infrastructure, Technology, Management, Labor, and Institutions. In 1998 the WEF sponsored a separate survey of Africa (GCSA).	60 (GCS) 20 (GCSA)	<ul style="list-style-type: none"> • Voice and Accountability (5) • Political Stability (6) • Government Effectiveness (8) • Regulatory Quality (25) • Rule of Law (16) • Corruption (6) 	Survey of top managers who rank their opinion on eight major issues from a scale of 1 to 7.
Heritage Foundation / Wall Street Journal (HER)	In 1995 the HER together with WSJ launched an annual index of Economic Freedom assessing ten different factors including investment codes, taxes, tariffs, banking regulations, monetary policy and the black market to assist international investors and donors in the allocation of their resources.	161	<ul style="list-style-type: none"> • Regulatory Quality (6) • Rule of Law (2) 	Some of the assessments are based on objective data, other are generated as subjective ratings based on a pre-specified checklist.
Human Rights Database (HUM)	The HUM covers global human rights practices and was drawn from the State Department's Country Reports on Human Rights Practices 2001 and Amnesty International's 2002 report. The data was then codified by Binghamton University.	159 developed and developing countries	<ul style="list-style-type: none"> • Voice and Accountability (4) • Political Stability (3) • Government Effectiveness (8) • Rule of Law (1) 	The State Department's Country Reports are generated through data gathered from all of its embassies and representations throughout the world. AI's annual reports are based on information collected through local activists and media reports.

Governance survey or index instrument	Description	Number of countries covered	Governance variables used	Methodology
Latinobarometro (LOB)	Latinobarometro is an annual public opinion survey representing the opinions and attitudes of citizens in the areas of Economy and Trade; Regional Integration; Democracy, Politics and Institutions; Social Policies; Civic Culture; Social Capital; the Environment; and current issues.	8 (1995), 17 (1996) countries in Latin America	<ul style="list-style-type: none"> • Voice and Accountability (1) • Political Stability (1) • Government Effectiveness (1) • Rule of Law (1) • Corruption (1) 	Using representative samples identical questionnaires are administered in each country.
Political Risk Services (PRS)	Since 1982, PRS has produced the International Country Risk Guide providing an assessment of political (12 components), economic (6 components) and financial (5 components) risks across countries. The subjective assessments are based on expert opinions and a peer review process.	140 developed and developing countries	<ul style="list-style-type: none"> • Voice and Accountability (2) • Political Stability (3) • Government Effectiveness (2) • Regulatory Quality (1) • Rule of Law (1) • Corruption (1) 	The assessments are based on the analysis of a worldwide network of experts and are subject to a peer review process at the subject and regional levels to ensure coherence and comparability across countries.
Reporters Without Borders (RSF)	In 2002 RSF published its first worldwide press freedom index based on asking journalists, researchers and legal experts a total of 50 questions concerning press freedom violations.	139 developed and developing countries	<ul style="list-style-type: none"> • Voice and Accountability (1) 	
Institute for Management Development (IMD-WCY)	The IMD publishes the World Competitive Yearbook (WCY) since 1987, analyzing the competitive environment based on objective data and perception surveys of over 4,000 local and foreign companies.	49 developed and developing countries	<ul style="list-style-type: none"> • Voice and Accountability (1) • Political Stability (1) • Government Effectiveness (6) • Regulatory Quality (17) • Rule of Law (6) • Corruption (1) 	
World Markets Online (WMO)	WMO is an online subscription service from the World Markets Research Center updated daily and providing analysis of business risk worldwide. Its risk rating system rates the quality of conditions and level of stability encountered by investors in terms of political, economic, legal, tax, operational/security environment.	186 developed and developing countries	<ul style="list-style-type: none"> • Voice and Accountability (2) • Political Stability (2) • Government Effectiveness (2) • Regulatory Quality (2) • Rule of Law (2) • Corruption (1) 	WMO uses the experience of its own staff and also has a worldwide network of information gatherers, stringers and analysts who file daily stories on a country's changing conditions to inform the ranking levels. Meetings of all the analysts across regional desks ensure that ratings are globally comparable.

Governance survey or index instrument	Description	Number of countries covered	Governance variables used	Methodology
Price Waterhouse Coopers (PWC)	In 2000, PWC set up an 'Endowment for Transparency and Sustainability' to shed light on (1) transparency in business and government, and (2) sustainable economic development. Its 'Opacity Index' measures the lack of transparency in the areas of corruption, property rights regulation, economic policies, accounting standards and business regulation.	35 developed and major developing countries	<ul style="list-style-type: none"> • Government Effectiveness (1) • Regulatory Quality (1) • Corruption (1) 	The index is constructed based on responses to a survey of Chief Financial Officers of medium- and large firms, equity analysts, bankers and local PWC staff.
The World Business Environment Survey (WBS, WDR)	The WBS is a survey conducted in 1999 and 2000 by the World Bank and designed to provide information on the business environment facing private enterprises. The WBS component covering transition economies is called the Business Environment and Enterprise Performance Survey (BES) which contains more detailed questions about corruption issues.	81 developed and developing countries	<ul style="list-style-type: none"> • Voice and Accountability (2) • Political Stability (3) • Government Effectiveness (14) • Regulatory Quality (5) • Rule of Law (12) • Corruption (5) 	The surveys were conducted among managers of firms in at least 100 companies per country. The questions asked were similar to those in the 1997 World Development Report survey that was used to construct the 1998 version of the indicators.

Source: Table compiled from the website and information manual of the organizations listed.

47. As the above table indicates only a few organizations such as Afrobarometer, Economic Intelligence Unit, State Failure Task Capacity Survey (CUD), Freedom House, and Human Rights database conduct studies that are of similar nature to that of ECA. However, the variables covered by many of those organizations are very limited, the extent of their surveys are also limited and mostly restricted to the use of expert surveys. While some organizations cover many countries in their studies, like Freedom House and the CUD, the variables and indicators that they use are very limited. While CUD covered 98 countries in 2002, it administered questionnaires on only 164 experts and the questionnaire had only 31 multiple-choice questions. Freedom does not conduct surveys but use secondary sources, the closest to fieldwork are "fact finding missions" by its staff.

48. The ECA's expert opinion (C1) questionnaire has 83 questions, while the C2 has 39. The former is absolutely too long, and requires review, and the latter needs to be streamlined and better focused.

Recommendations

1. The C1 questionnaire should be reduced to about 40-50 questions at most. The questions should either be spread evenly in the five areas of the project in about 10 questions per area, or spread on the basis of weighted importance of the different areas. Areas of duplication in the questionnaire should be identified and reformulated. The Expert Group meeting may also make specific recommendations on how the C1 should be restructured.

2. The criteria for the selection of respondents for the C1 questionnaire should be reviewed to allow for some flexibility in the composition of the sample population based on national contexts.
3. Defining the target respondents for the household survey should be reviewed so that there is gender sensitivity, and the reality of different societies taken into consideration.
4. The options in the “cafeteria” format should be reduced from 5 to 3. For example, ‘Strongly agree’, ‘agree’ and ‘disagree’. This makes for easier responses to the questionnaire and data processing and analysis.
5. The possibility of including questions on traditional governance and HIV/AIDS in either the C1 or C2 questionnaire should be considered.
6. Some questions on “economic and corporate governance” should be included for C2 (see appendix 1 for sample questions).

49. **On the Use of C2 Questionnaire:** Some discussions have been generated on the cost of C2 questionnaire. It is considered too expensive and its use to be possibly reconsidered. The table below presents a clear picture of the relative cost of C1 to C2, in relation to the total cost of the national country studies.

Table 2: Estimated Comparative Cost of C1 and C2 Data Gathering in Some Selected Countries (\$)

Organization and Country	C 1	C 2	Total Budget
Straconsult, Mauritius	5,300	17,500	41,295
ACER, Kenya	6,000	15,000	84,309
Idasa, South Africa	*2,450	*17,347	*25,102
Dept. of Pol. Sc. & Public. Admin, Tanzania	4,785	14,074	76,673
SAPES, Zimbabwe	6,150	8,440	77,959
RLDS, Ethiopia	2,240	97,590	119,860

* Approximate cost

Source: Compiled from the budget proposals submitted by the organizations in their bid for the National Country Studies. The total proposed budget by those institutions is not the exact figure that was eventually approved for the project by ECA.

50. There are several issues emanating from the above table:
- The cost of C2 in relation to C1 is uneven for different countries;
 - In some countries C1 constitutes a significant proportion of the total cost of the project (e.g. South Africa, and Ethiopia), while in others it represents quite a low proportion of the total cost as in Kenya, Tanzania and Zimbabwe; and

- There are several other costs that form a reasonable part of the budget for countries, for example, the two workshops to be organized, the managerial cost of the project—hiring consultants etc.

Recommendations

1. The C2 data should continue to be used, as it constitutes a unique part of the ECA project. ECA is one of the few organizations that measures the views of the ordinary people on governance. Most projects are elite centered.
2. Collaborating national institutions should clearly specify the costs of C1 data and C2 data separately in their budget.
3. Alternative options may be considered in the administration of the question to address the issue of associated cost with national coverage. An option is to identify communities with diverse ethnic, racial, and linguistic groups where the questionnaire could be administered. This would still give a representative national sample not necessarily in spatial geographical terms but in terms of national cleavages and characteristics. The other option is simply to stratify the country into major cleavage areas and administer the questionnaire in those specific areas.

3.2. Project Management

51. The management of the project by ECA is an issue that requires being revisited as confirmed by the views of the collaborating national institutions. The institutions identified some problems with the management of the project. These include:

- Absence of a smooth communication mechanism with ECA. Repeated emails from the institutions were at times ignored and responses from ECA were delayed;
- Lack of clear focal point for the management of the project;
- Sudden and continuous changes of the format of the various chapters of the country reports;
- Delays in feed back on draft of country reports; and
- Last minute changes to TORs.

Recommendations

1. In order to institutionalize the AGR, there is the need to constitute an AGR team as opposed to a team of the whole division. The team would be primarily responsible for all matters relating to the AGR. It would undertake communication with national institutions, engage in strategic planning, management and monitoring of the project.

This is without prejudice to the fact that the whole DPMD division may be involved in the governance project.

2. The core team of the governance project may consist of five to six people. It may be headed by the Director of the division, the project (AGR) coordinator, and four other people. Individual members of the team may be in charge of a particular subregion or set of countries, or the team could be organized on an issue or subject basis. The team would have to devise a way for its effective operation.
3. Contractual obligations should be firmly adhered to, with neither ECA nor the collaborating institutions seeking alteration to TORs or contract terms.

3.3. Quality Control and Standards

52. A major issue that came out of the AGR process is the quality of the national country reports. There are significant variations in the quality, standards and preparation of the national country reports. While some were good, others were poorly produced. In some cases, the three research instruments were inadequately integrated and the C2 data sparsely used. Some countries confused or reformatted the questionnaire creating the problem of data standardization and statistical coherence, especially for the ECA data bank, and the non-production of the C1 and C2 comprehensive data by some national institutions. The problems arose for various reasons; these include a lack of capacity and competence of some of the national institutions, a limited understanding of the processes and details of the research guide, especially on the statistical aspect, and the unsatisfactory quality of staff recruited by the national institutions.

Recommendations

1. ECA has to establish a thorough selection process for choosing the national institutions in order to ensure that it is only those that are competent, with requisite capacity and track record of good performance that are enlisted to conduct the national country studies. The budgets proposed by the national institutions are important, but should not be a major consideration when selecting which national institutions do the study. Organizations that have the capacity should be identified and discussions held with them on the budget frame for the research. ECA may indeed consider a search option in addition to the bidding process for selecting national institutions
2. ECA must undertake close monitoring of the project, especially during the fieldwork stage. The subregional offices (SROs) may be incorporated into the project so that they can assist with the monitoring process and ensure that national institutions adhere to guidelines for the research.
3. Payments of national institutions should be tied to clearance on quality and standard of the project. It is not only the statistical aspect that should be looked at but also the entire quality of the report. This work is the responsibility of the core team of the governance project.
4. National institutions that do not meet the minimum standard of report preparation should not have their contracts renewed.

3.4. Financing of the Project

53. A central issue in the continuity and institutionalization of the AGR is the issue of financing. Undoubtedly, the project is a very expensive one. There is a need to address the issue of financing. The table below shows the cost of the three phases of the project.

Table 3: DPMD Governance Project Financial Commitment

Number of Countries	Phase of Project	Cost (\$)
12	I	886,000.92
10	II	701,699.54
6	III	518,495.50
Programme Support		296,098.86
Total		2,573,782.42

Source: DPMD records.

54. Most of the funds for the project were externally sourced. There is an urgent need to introduce cost reduction measures for the project so that a large part of the project can be funded from the regular budget of ECA.

Recommendations

1. The national institutions present at the ad-hoc expert meeting could offer specific suggestions on the possible cost saving measures in conducting the national country studies.
2. The multiple objectives of the governance project may have to be addressed in order to reduce cost. For example, the issue of national ownership of the project, which necessitated three workshops; launch, stakeholders, and regional workshops, could be reviewed. In 11 countries an estimated sum of \$ 84,376.72 was used to hold the national stakeholders workshop. Is it possible to rationalize these workshops and just hold one of them?

3.5. Publication of AGR

55. The strength of the AGR would be in the modalities of its production and dissemination, its ability to reach a wide audience of policy makers, academics, international organizations, etc. not only in Africa but globally. For example, the strength of World Bank reports is their production and dissemination strategy: World Bank flagship publications like *World Development Report* are found in major libraries, bookstands, ministries and private organizations around the world. This is part of the reason why the Bank holds a hegemonic position on development discourse in the world. The same thing goes for the UNDP *Human Development Report*.

56. A broad spectrum of stakeholders in the ECA governance project, including the national institutions that conducted the study, experts that participated in the project at different stages and

many of the participants at ADF IV, insist that the nature of publication of the AGR and its outreach will determine the impact of the study as major reference material influencing intellectual discourse, policy formulation and political agenda on governance in Africa.

57. The current production and dissemination strategy of ECA may be inadequate for the challenge of this major publication. There is need to explore alternative approaches in the publication of the report.

Recommendations

1. For the purpose of wide (global) circulation and dissemination of the AGR—a very unique and important report, there is need for a reputable publishing house with wide and global circulation network to publish it on behalf of or in association with ECA as the World Bank and the UNDP do for their major publications. International publishers like Oxford, Cambridge, Princeton, Sage, and Zed books may be explored. ECA may buy some copies from those publishing houses, which may then be distributed to its major constituency in Africa. The other option is to have a consortium of publishers—about 2 or 3 to handle the publication and distribution in different regions of the world. For example, publishers like Oxford Press, and the Council for the Development of Social Science Research in Africa (CODESRIA) may be contracted to publish it. In which case, Oxford may handle the global dissemination, while CODESRIA does the African circulation. The cost of this production and dissemination strategy is not likely to be more expensive than that which ECA currently spends on such publications.
2. Once the Report is finally published, ECA may consider public presentation of the report in the different regions of the continent. This may be organized in partnership with the AU and African governments. ECA's subregional offices and the communication department would play a key role in this.
3. ECA may consider the production of a television documentary on governance in Africa, which would be a relay of the main findings of the AGR in order to popularize the report in Africa. DPMD had already suggested this.

3.6. Publication of Country Reports

58. There is need for the country reports to be published. The country reports will serve as invaluable documents for research, policy dialogue, the national country process of the APRM and governance discourse generally in the respective countries. The AGR, which is a synthesis report, cannot serve those purposes.

59. During ADF VI, DPMD had a working lunch meeting with some of the national institutions where the issue of publishing the country reports was discussed. The general consensus was that there is an urgent need for the reports to be published. The modality of publication is what has to be worked out.

60. There are several alternatives on the publication of the country reports. These are:

1. For the national institutions to publish the reports on their own with only an acknowledgement of ECA in the preface. They will then bear the full cost of the publication. The drawback of this option is that not all the national institutions have

the resources and capacity to publish the reports.

2. For each report to be a joint publication between ECA and the national institutions, with the names of the two institutions embossed on it. In this case, ECA would give a small grant for publication costs and ensure quality control of what is to be published. The publication would be done locally in the country.
3. For ECA to print them in its office, (those that have met the quality requirements) and then send them to the national institutions for distribution.
4. For ECA to dialogue with the country offices of UNDP to collaborate with the national institutions in publishing the reports in the respective countries.

61. These are the possible options for the publication of the country reports. The national institutions that met with DPMD during ADF IV preferred option 2. The ad-hoc expert meeting is invited to make inputs on this subject.

4. Alternative Approaches Towards AGR

62. Are there alternative ways by which the project could be structured to make it more focused, efficient and cost effective? Some suggestions are listed below:

1. The AGR could be made thematic. A particular governance issue would be taken up and studied in selected countries, or countries with some key characteristics or features are grouped together and studied. For example: studying governance in “Post Conflict Societies” or selecting a single theme issue, such as “Corruption and Governance in Africa”.
2. Instead of national institutions conducting the study, perhaps regional institutions with capacity and track records could do the study in selected countries in a particular region. The drawback to this is that the objective of national ownership will have to be compromised.

5. Preparing for AGR II

63. ECA has given a commitment to undertake 12 new country studies in its next phase of the governance project. A selection may be made from this proposed list of 14 countries.

1. Algeria
2. Angola
3. Cape Verde
4. Central African République
5. Comoros
6. Congo Brazzaville
7. Djibouti
8. Guinea
9. Madagascar
10. Mauritania
11. Seychelles
12. Sierra Leone
13. Togo
14. Tunisia

6. Conclusion

64. There is general consensus among key stakeholders that the African Governance project is a worthy exercise that will go a long way in promoting the values of good governance in Africa. However, it requires periodic evaluation in order to make necessary adjustments and modifications to the research instruments, methodology, processes and implementation of the project. This is essential to improve the quality and results.

65. A major challenge for the project and ECA is on how the project would drive policy agenda and processes both at the national and continental levels by creating spaces for policy dialogue and capacity building for governance institutions in Africa. Achieving this will require forging partnership with national and continental stakeholders on governance in Africa.

- At the national level, ECA may consider partnering with UNDP and the national institutions that conducted the study using the national country reports for policy dialogue in the respective countries.
- At the continental level, it is essential for ECA to create partnership with the AU and NEPAD such that the AGR is endorsed and serves as a working document both for the governance projects of the AU and the APRM of NEPAD. Africa's policy institutions do not need to duplicate efforts and resources on governance studies.

Appendix 1: Sample Questions on Economic Management and Corporate Governance for C2 Questionnaire

Economic Destitution

37. If you were economically destitute, would government be willing and/or able to provide a safety net (pension, unemployment or other social grant)?

Yes

No

Not applicable

Protection of Most Vulnerable Groups

38. Do you feel government is doing enough to protect the most economically vulnerable groups (aged, children and disabled) from extreme poverty?

Yes

No

Not applicable

Economic Affirmative Policies

39. Through provision of loans and infrastructure, the informal sector can flourish. Do you feel authorities are encouraging informal sector growth via provisions of services?

Yes

No

Not applicable

Salary Gaps

40. What do you think of salary gaps between people in the private sector and those in public sector?

Huge

No gap

Small

Very small

Income Distribution

41. What are your views about income gaps between various income groups in the countries (formal private sector, public sector, informal sector, and State welfare dependants)?

Very huge

Huge

Not noticeable

Small

Very small

Tax System

42. How would you describe the tax system imposed on those employed in various formal sectors of the economy?

- Very equitable
- Equitable
- Somewhat equitable
- Inequitable
- Very inequitable

Corruption in Tax System

43. Do you think taxpayers can bribe officials into avoiding their legally due taxes?

- Yes
- No
- Not applicable

Tax Distribution

44. Do you feel that tax collected is fairly distributed in the country through government services (health, education, sanitation, and other infrastructure)?

- Yes
- No
- Not applicable

Appendix 2: Recommendations from the Ad-hoc Expert Meeting 7-8 December 2004

General Recommendations

- It was agreed that C2 should be retained in the governance study for its uniqueness and comparative advantage for ECA in the governance study;
- C2 is very important but there is a need to look at ways of implementing it more cost effectively;
- Country specific issues – content of some questions do not reflect national issues. Functional equivalents need to be found that portray both the national and continental issues;
- One needs to be aware that the question changes will compromise the comparability of the first 28 countries with the next 12 countries (AGR 2). The suggested changes for post AGR 2 need to be considered if the changes are substantially different from AGR 1;
- The political context of the country should be considered when implementing the surveys. The environment on the ground plays an important role and will not only impact on the data collection period but also how the results are interpreted;
- ECA should disseminate the conceptual framework to all the national partners. This will help partners to improve their understanding of the conceptualization process; and
- There is a need to define the economic context within which each country works. The desktop, (C3) was supposed to cover this but there is a need to go beyond this and elicit expert opinion on the economic context.

Recommendations

C1 and C2 Questionnaires

1. There was need to maintain the 5-point scale for reasons of comparability, specifically with the view of the upcoming AGR 2.
2. It was accepted that C2 be kept since it provided ECA with a competitive advantage. It was also noted that C2 provided a vehicle through which ordinary citizens could raise their concerns. Government would therefore find it very difficult to dispute the results of the surveys since it represented the voice of the people.

3. It was decided that countries should have the flexibility to decide how best to use the criteria recommended by ECA in the CI survey. The case of South Africa was highlighted stating that any deviation from the criteria should be reflected in the report.
4. It was agreed that the household selection procedure should be reviewed.
5. Some questions on “economic and corporate governance” should be included for C2 as suggested by the expert meeting.
6. With regard to reducing the cost of C2, it was suggested that guidance be sought from ECA and in particular the input from a statistician before further action could be taken.

Project Management

1. It was recommended that partner institutions should know who is in charge. Staff changes occur quite frequently and partners should be informed when personnel at the ECA leave. It was requested that ECA provide a document (Protocol) that spell out who is in charge of the project, a detailed communication strategy, contact details of all the partners, etc. As such, the meeting endorsed the ECA’s recommendation that a core AGR team should be constituted in DPMD to manage the programme.
2. Problem of payments - if payments are not made it should be communicated to partners. Partners incurred expenses when they request for the payments.
3. Partners acknowledge that it is a very complex and challenging project but feel that ECA should put the necessary infrastructure in place to ensure the smooth running of the project.
4. It was reasoned that the delays in the project impacted on the freshness of the data. An effort should be made to produce the report and complete the country studies in a much shorter time frame.

Quality Control and Standards

1. It was felt that ECA selection procedure, particularly the bidding process, was good. While it was stressed that ECA should be flexible in its approach, participants had no hesitation to agree with the recommendations made by the report for a search process in selecting collaborating institutions.
2. There was a general sense that the national partners should be the lead organizations in managing the projects within their various countries and that the capacity of the organizations should be further strengthened. Some flexibility should be allowed for ECA to make use of regional organizations and/or other national partners to assist countries in monitoring their projects.

3. With regards to payments, it was accepted that all payments should be linked to clearance on quality and standard.
4. When contracts are not renewed, ECA should introduce a follow up procedure. This will ensure accountability and transparency. The Work Programmes should be used as a tool to measure the performance of the partners

Financing the Project

1. It was accepted that there is no need to launch the project again in the various countries. A communication strategy should be put in place to inform the various stakeholders of the project.
2. The stakeholders' meeting is very important and should be repeated. This will form the platform for the evaluation of the report.
3. Regional workshops will not be implemented again.

Publication of AGR

1. ECA's recommendation on the publication of AGR was fully endorsed by the expert meeting. It recommended that a reputable publishing house with a wide and global circulation network publish it on behalf of, or in association with ECA. International publishers such as Oxford, Cambridge, Princeton, Sage, and Zed books were suggested. ECA could buy copies from those publishing houses, which it could then distribute to its major constituency in Africa. Another option is to have a consortium of 2 or 3 publishers handle the publication and distribution in different regions of the world. For example, Oxford Press may handle the global dissemination, while CODESRIA deals with the African circulation. The costs incurred are not likely to exceed those of ECA's similar publications

Publication of Country Reports

1. National partners recommended that point 2 (i.e. for it to be a joint publication between ECA and the national institutions, with the names of the two institutions embossed on it) be accepted but ECA indicated that they do not have the necessary resources. It was therefore suggested that:
 - ECA provide a guideline for editing the report to ensure consistency;
 - Country partners do the editing themselves;
 - The edited report is forwarded to ECA for review; and
 - National partners subsequently print the reports
2. The partners, however, recommended that ECA look at ways of funding the publication of the reports.
3. Before the partners can go ahead to start the publication process, ECA should provide confirmation that the report is acceptable for publication.

4. The reports should also be conceptualized since most of the surveys were completed some time ago (2 years or more).

Alternative Approaches on AGR

1. It was suggested that the AGR general study is conducted every 5 years.
2. Every year a thematic approach will be adopted. The thematic reports will be based on an expanded expert panel. In addition there will be an updated report based on C3. The updated report will coincide with the thematic report.

Towards AGR II

It was concluded that the Comoros be dropped from the list of countries for AGR 2 because of the political situation there, and that ECA should decide which of the 12 countries would be selected from the list below.

1. Algeria
2. Angola
3. Cape Verde
4. Central African République
5. Congo Brazzaville
6. Djibouti
7. Guínea
8. Madagascar
9. Mauritania
10. Seychelles
11. Sierra Leone
12. Togo
13. Tunisia

End notes

1. The NEPAD document, October 2001.
2. The Constitutive Act of the African Union.
3. & 4. ECA, *African Charter on Popular Participation in Development*, 1990.
5. Aide-Memoire of the Workshop on “Monitoring the Progress Towards Good Governance in Africa”, April, 1999.
6. World Bank, *Sub-Saharan Africa: From Crisis to Sustainable Growth* (Washington: World Bank, 1989).
7. Daniel Kaufmann, D. (2003), “Rethinking Governance: Empirical Lessons Challenge Orthodoxy”, mimeograph.
8. The Report of the ECA Workshop on “Monitoring the Progress Towards Good Governance in Africa”, September 1999.
9. K.Y. Amoako, “Good Governance and Development in Africa: A Critical Nexus”, *The Fifth Andrew Young Lecture*, Washington D.C., February 18, 2004.
10. Response by IDASA to the questionnaire on the “Lessons Learned” project.