ANTI-CORRUPTION HELPDESK

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EXPERIENCES FROM DISCLOSING DONOR ASSESSMENTS

QUERY

Could you please provide an overview of literature and case studies regarding the advantages and disadvantages of sharing governance assessments with partner governments?

CONTENT

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SUMMARY

It is common practice for external donors to conduct governance assessments in the countries they support with foreign aid. Such tools serve the purposes of risk assessments and quality assurance and help governments to better target aid.

There is a broad consensus that it is good practice to involve government counterparts in conducting such exercises and share the findings with the partner countries, not least to develop a sense of ownership of the findings and identify possible areas for reforms. In line with this approach, the 2005 Paris Declaration on aid effectiveness promotes partner governments' ownership of development strategies and alignment of donor projects with local priorities. It underlines that diagnostic assessments are an important source of information both for donors and partner countries, and that mutually agreed assessment frameworks should be preferred and become an integral part of development strategies. However, in practice, assessed governments rarely participate in the assessment and the results are usually not shared widely.

Even though transparency should be the default option, the specificity of the context as well as the purpose of the donor assessment should always be considered. In some settings, the disclosure of assessments might be a source of conflict and tension. In such cases, partial disclosure can be considered, and results can selectively be made available.

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1 TRANSPARENCY AS THE GENERAL PRINCIPLE

There is a growing consensus in the literature and among practitioners that government ownership is an essential feature to ensure the effectiveness of donor aid programmes. This implies the need for local stakeholders to be involved from the early stage of governance assessments. The concept of joint governance assessments is actually gaining importance as an alternative to conventional diagnostic practices. There is no one size fits all answer to the question on whether to disclose assessments or keep them strictly confidential, since the purpose, methodology, and identity of the assessor all have an impact on the appropriate level of disclosure.

Stefan Meyer, 2009, *Governance Assessments and Domestic Accountability: Feeding Domestic Debate and Changing Aid Practices*, FRIDE, http://fride.org/descarga/WP86_Governance_accountability_ENG_jul09.pdf

Abstract

Based on governance assessments, this paper analyses current developments in mutual accountability relations between donors and aid recipients and how these relate to the domestic accountability of governments to their citizens. According to the author, there is a tension between mutual accountability and domestic accountability – between donor-government relations and citizen-state relations. If donors are to dissolve this tension they must understand their analytical work as part of a process of engaging with the local public sphere. Donors can neither bypass government nor harmonise around one set of governance diagnostics. Rather, their generation of knowledge must make sense for the domestic debate.

This report outlines the importance and modalities of early-stage involvement of local stakeholders, both government and civil society, and stresses that the commissioning team at country level has to be clear from the outset about how the study will be used and disseminated.

The author however states that country assessments can be distinguished, among others, according to their methodologies, to the reason why they are undertaken, to the identity of the assessor and the assessed etc. This leads to the question of the depth of participation of other stakeholders (government officials, civil society organisations, etc.) and thus to the level of disclosure of the results. Whilst some assessment methods place the emphasis merely on the quality of output, others stress the process of drawing up an assessment, considering its effect on legitimacy, robustness and impact. Involving stakeholder groups – as diverse as government officials, civil society representatives and local experts, or field staff from donor agencies – might not only ensure greater depth, but is also likely to foster the subsequent use of the results and thereby become part of a learning process.

Gareth Williams, Alex Duncan, Pierre Landell-Mills, Sue Unsworth and Tim Sheehy, 2009, *Carrying out a Joint Governance Assessment: Lessons from Rwanda*, The Policy Practice, http://www.thepolicypractice.com/papers/15.pdf

Abstract

This brief presents the Rwanda Joint Governance Assessment, a joint initiative of the government of Rwanda and its development partners seeking both to assess performance and to devise indicators for future monitoring. The model of a joint governance assessment has attracted interest as an alternative to conventional practice whereby donors have undertaken separate assessments with little or no government involvement.

The potential advantages include reducing donor duplication, creating a basis for a frank and constructive dialogue between government, development partners and other stakeholders, establishing a shared evidence-based framework for analysis, strengthening government ownership of aspects of the agenda, etc.

The process is generally regarded by the main stakeholders as having been productive, but has also faced significant challenges, such as the difficulty in moving beyond the working of formal institutions to observe underlying political factors and informal power dynamics, the preference given to easilymeasurable indicators and the sensitivity of some of the issues raised.

Lise Rakner and Vibeke Wang, 2007, *Governance Assessments and the Paris Declaration*, CMI, http://www.cmi.no/publications/file/2747-governance-assessments-and-the-paris-declaration.pdf

Abstract

In the last decade, growing attention has been brought to the compatibility of donor governance assessments with the Paris Declaration on Aid Effectiveness that stresses the importance of government ownership of the development agenda. The main issue relates to the potential contradiction between the legitimate need of external actors, such as donors, to conduct governance assessments and the push for donors to subordinate their governance strategies to partner countries' national policy agendas. Development partners have legitimate reasons for carrying out individual and varied governance assessments linked to their own individual agendas and distinct aid portfolios. This situation, however, poses clear limitations on ownership.

The authors argue that, 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" through self-assessments and peer-reviews.

2 CHALLENGES TO DISCLOSURE

Even though disclosure should be the "default setting" for governance assessments, it is important to take the specific country context into account. As the reports below underscore, some situations may imply that the disclosure of donor assessments might create tension instead of encouraging constructive dialogue. Different levels of disclosure can be envisaged.

The purpose of the assessment should also be taken into account, since this will influence the methodology used. An assessment intended for donors' internal information will not necessarily contain the same information as an assessment feeding into national reforms. The relevance of disclosure will therefore vary. Finally, donors need to consider the potential trade-offs between openness and rigour of the analysis.

It is regarded as a general good practice to ensure that the level of disclosure and involvement of local stakeholders is agreed on from the very start.

OECD, 2009, *Donor approaches to governance assessments*, http://www.oecd.org/development/governance-development/42472200.pdf

Abstract

The OECD's guiding principles with regards to disclosure of governance assessments is that donors should "(make) results public unless there are compelling reasons not to do so".

The organisation recognises that, even though transparency is preferred, there are contexts and settings in which disclosing sensitive results of country assessments could create conflict instead of constructive engagement. The report lists factors that should be considered when deciding that there are compelling reasons not to disclose some or all of the results of governance assessments:

- The purpose of the assessment: if the purpose is to enable an agency to define its own position towards a country, then full or even partial public disclosure may seriously diminish the value of the assessment. If, on the other hand, the purpose is to generate broad debate about governance issues in the country, then transparency will be the right choice.
- The broad country context: disclosure of assessment results could contribute to positive dynamics in a country where the government is keen on improving governance. In contexts of poor or deteriorating governance, disclosure may have the effect of disenfranchising governments and making dialogue more difficult – while confidentiality may disenfranchise civil society groups.
- The level of tension or conflict: where tension and the conflict potential are high, full disclosure of a critical governance assessment may fuel the conflict.

- The possible trade-offs and middle-grounds: if disclosure is a principle, this may lead agency staff to produce polished public governance assessments with informal notes giving a much more candid account. This may be a relevant middle-ground choice, but it will obviously undermine the moral argument for the principle of transparency and disclosure.

Based on these factors, different levels of disclosure can be envisaged: results can be shared with government partners only or with other donors. They can be made selectively available on demand, passively available on a website, or they can be published and proactively disseminated (for example through press releases, press conferences, etc.).

The report gives an overview of governance assessment tools and methodologies used by aid agencies, and the reader can see that in approximately 80 per cent of cases government partners do not play a role at all or play a limited role.

DFID, 2009, *Political Economy Analysis How To Note*, http://www.gsdrc.org/docs/open/PO58.pdf

Abstract

This paper presents the purpose, approaches, tools and processes used by DFID in its political economy analysis. The disclosure of such assessments with government is one of the points addressed.

The scope for engaging government and national partners in a political economy analysis should be judged on a case-by-case basis. Trade-offs are always likely between openness and transparency on the one hand, and the quality and rigour of analysis on the other. In difficult political environments, full disclosure of findings may serve to undermine relationships and fuel tensions. However, in more permissive contexts, the benefits of working with national governments and other partners can often outweigh the costs. Even where full disclosure proves difficult, steps can be taken to at least disseminate key findings or summaries. This can lay the foundations for a more productive policy dialogue going forwards.

3 CASE STUDIES

OECD, 2009, *Working towards more effective collective donor responses to corruption*, http://www.oecd.org/development/governance-development/45019669.pdf

Abstract

This report synthesises the findings regarding donors' responses to corruption in partner countries, from three very different country case studies: Afghanistan, Indonesia and Mozambique. Below are some of the examples provided by the report.

In Mozambique, a study carried out by consultants to inform the USAID country strategy was highly critical of government and included allegations of state capture by criminal networks, linking part of the ruling elite with organised crime. USAID sent the draft report to government, which never commented formally. In a context of strong development dialogue and confidence in development outcomes, donors were divided as to how to respond to the report. Some favoured using the evidence in dialogue with government; others were concerned that doing so could undermine existing cordial dialogue. In the end, although there was some discussion of the findings among donors and with civil society, the report was not used in dialogue with government.

In Indonesia, the Asian Development Bank and the World Bank produced analytical work in 2004. The latter improved understanding of issues of governance and corruption among donors and officials as it was shared with staff at the supreme audit institution and anti-corruption commission.

Examples taken from the case study countries argue in favour of donors and partner governments agreeing in advance on methodologies and levels of disclosure. In Mozambique, donors and government agreed to use the Public Expenditure and Financial Accountability (PEFA) methodology as part of the performance assessment framework for budget support. Three successive assessments have shown substantial improvements in areas relevant to tackling corruption. By contrast, in Indonesia a PEFA assessment carried out by a team of major donors came to nought as the government did not wish the findings to be made public and had not been persuaded in advance to use the scores generated to measure performance of reforms over time.

Governments have sometimes produced assessments of corruption or worked with donors on assessments. The legitimacy of assessment is likely to be enhanced when country officials participate or when assessments are conducted jointly with donors. In Mozambique, the government carried out a national baseline survey of governance and corruption in 2004 with technical support from the World Bank Institute and donor funding. It is considered a credible survey and is regularly referred to by donors and NGOs.