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**Accompanying the Communication "Governance in the European Consensus on  
Development: towards a harmonized approach within the European Union"**

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## INTRODUCTION

This Commission Staff working document includes technical annexes referred to in the Communication "Governance in the European Consensus on Development – towards a harmonised approach within the EU".

Annex 1 refers to practical approaches to address governance from different perspectives.

- In the first part some examples of support programmes are provided.
- The second part is related to indicators and refers to the METAGORA project.
- The third part outlines the Cotonou Agreement approach to political dialogue on the essential elements.
- Ways to address governance in fragile states are explained in the last part of this Annex. The way in which the principles for effective international engagement are applied to Zimbabwe and the Democratic Republic of Congo (DRC) is presented here.

Annex 2 is devoted to the governance profile for the ACP countries. The main objective this programming tool is to help identifying specific areas of cooperation (weaknesses) and agreeing on benchmarks and targets for reform (Government commitments), or on sectoral performance indicators, if governance is a focal area of cooperation. It will help to assess the extent to which commitments undertaken by partner country are relevant, ambitious and credible for the "incentive tranche" in the 10<sup>th</sup> EDF framework, as explained in the Communication.

Annex 3 gives an overview of the African Peer Review Mechanism (APRM).

Annex 4 is a list of acronyms mentioned in both the Communication and the annexes themselves.

## ANNEX 1

### **Practical approaches: examples of programs, political dialogue, indicators and Fragile States**

#### **Examples of programs**

- EU support to electoral processes aims at strengthening national processes to ensure free, fair and transparent elections in order to (i) contribute to the strengthening of democratic institutions, (ii) provide added credibility to the elections if conducted sufficiently in line with international standards for democratic elections and (iii) provide recommendations to improve future elections. This support consists mainly of electoral assistance programmes, supporting Election Management Bodies (EMBs) and Civil Society Organizations (CSOs), and the deployment of EU Electoral Observation missions, with their impartial assessment of the process/elections. Projects aiming to strengthening the capacity of EMBs generally intervene at different stages of the electoral cycle and address issues such as the design of the electoral system, the voter registration process, the voting operations and the election day and their immediate aftermath - results verification, electoral dispute resolution mechanisms, etc. Long term and inter-elections civic education and voter information activities are also a typical component of electoral assistance programmes, and so are activities targeting the setting up or reinforcement of domestic observer groups, of mechanisms for electoral dispute resolution, or supporting media (training of journalists, promote equitable access, monitoring of activities) etc, that are often addressed through support to Civil Society Organizations. During the last five years the EC has allocated over 300 million € to 80 projects of electoral assistance in over 40 countries.
- EC support to civil society aims at an overall, integrated and coherent strategic support for the consolidation of civil society organizations in their diversity as development actors. Activities can include: support for existing networks and their strengthening as regards dissemination of information, training of civil society to public awareness-raising, development of relations and exchanges between associations, financing of projects likely to strengthen the involvement of local communities. The "Programme to support and strengthen civil society organizations" (OSCAR) in Benin, signed in November 2005, for an amount of 2 million € aims at increasing capacities of civil society organizations (CSO) of Benin as regards management, collective organisation (development of meetings, deepening of exchanges, adoption of collective initiatives) and influence on policy formulation. This will be done through the setting up of supporting mechanisms to the CSO and the promotion of dialogue between CSO and other actors. Through the project "Strengthening the action of the civil society in Lebanon in favour of the respect of civil and political rights and the consolidation of rule of law" (3 million €) the Commission is offering support to 16 local NGOs in the area of i) consolidation of rule of law and the promotion of citizenship (5 projects); ii) reconciliation and local dialogue (4 projects); iii) support and integration of certain vulnerable groups from a rights perspective (7 projects). The project is running 2004–2007.
- Support to parliaments focuses on strengthening their role and capacity in policy formulation and decision-making processes, their oversight functions as well as their role in conflict prevention and post-conflict settings. Following the 'Rose Revolution' in Georgia, a reform of the Georgian parliament was initiated aiming at improving democratic governance, including the fight against corruption, by improving the

professionalism and the working conditions of the parliament, improving the role of the parliament in the oversight of the executive, and enhance the parliament's capacities in terms of EU integration policies and legislation with the view to increase the relation and cooperation with the European Union in the framework of the European Neighbourhood Policy. The EC supported with 2,1 million €

- Support to decentralisation aims at enhancing state capacity to accelerate economic and social dynamics at the local level and at strengthening the voice and power of municipalities and grass-roots communities in the fight against poverty. Recourse to budgetary aid has in particular to be accompanied by a strategy of devolution of the resources and means. With the Support programme to the reform of the administration and to decentralisation (PARAD) in Mali, signed on 14 March 2006, of an amount of 72 million € (59 million € in budget support), the EC intends to support substantially the modernisation of the functioning of the Malian public service; the mobilisation of financial resources by local authorities; their technical supervision as regards supervision, planning and management; and decentralisation of Ministries to accompany the transfer of competences to local authorities.
- EU support to the African Union (AU) aims at strengthening the overall institutional capacity of the African Union (Commission and organs); supporting synergies and organic links between the AU and the RECs (as pillars of the Union); fostering an effective dialogue and cooperation between AU and EU on areas of mutual interest. Example: the European Commission is elaborating a programming of 55 million € in support of the AU. The AU Commission will be the main direct beneficiary of this support programme due to its essential role as 'motor of the AU' but other AU institutions, such as the Pan African Parliament, are potential beneficiary of this programme that will cover to varying degree the four axes of the African Union (AU) Strategic Plan 2004-2007.
- The objectives of EC-financed interventions in the area of human rights are to assist in meeting human rights and democracy objectives at international and national level in partner countries. In the Philippines, the project "Strengthening the Abolition of the Death Penalty Campaign by Information Drive" (300 000 €), contributes to the broadening of the anti-death penalty alliance among the NGOs and the public, by supporting the lobbying and advocacy processes aiming at the abolition of the death penalty and improving the quality of research data and information available to anti-death penalty initiatives. The overall objective of the programme "Support to Human Rights and Good Governance" in Jordan (5 million € 2005-2006) is to assist the Jordanian efforts in the enhancement of political reform towards the establishment of a more democratic society. The purpose of the first two components i) Support to the Judicial Institute of Jordan, Ministry of Justice; ii) Support to the National Centre for Human Rights (NCHR) is to support the development and implementation of national policies, strategies and legislation in line with the relevant Human Rights international instruments and standards; the third component aims at supporting GoJ in the development of independent journalism and media. The last component aims at strengthening the voice of Civil Society in public policy.
- In the field of social rights, EC support aims mainly to promote social dialogue and the respect and the effective implementation by the partner country of ILO Conventions. The regional programme PRODIAF for the promotion of social dialogue in French-speaking Africa covers 19 countries and sub-regional organisations. It is managed by ILO and financed by Belgian and French governments. The first phase (1998-2003) of the

Programme contributed to setting up and to revitalising social dialogue structures and to increase the capacities of social partners by permanent training of interlocutors, negotiators and mediators. A second phase 2004–2007 is ongoing.

- The objective of supporting the judicial system reform is to promote the separation of powers, equal access to justice, the independence and external auditing of the judicial system, the effective access to legal redress and the submission of the state authorities to the law and a closer cooperation between the judiciary, including the prosecutor general, and the police as actors in the chain of justice. The support programme to the judicial system in Democratic Republic of Congo (28 million €), whose objective is to contribute to the re-establishment of the rule of law, aims at the physical rehabilitation of tribunals and courts, at the publication and distribution of major legal texts, at the provision to judicial actors of basic instruments for their activities, at the training of the judicial and Para-legal staff, and at the promotion of various activities (radio transmissions, conferences, seminars and street shows) aiming to facilitate access to justice by the population. The Budget Support Programme "Access to Justice in Nicaragua" (17 million €) aims at improving access to justice, particularly for less-favoured segments of the population, by supporting the implementation of the new Code of Criminal Procedure throughout the country. This will be achieved by providing support to the institutions involved in applying the new Code, at municipal and departmental level: Public Prosecutor's Office, Directorate of Public Defence (attached to the Judiciary in Nicaragua) and National Police. In parallel, the Programme aims at reinforcing public safety by providing support to the public institutions in charge of developing violence prevention schemes.
- The objective of EC support to security sector reform<sup>1</sup> is to contribute explicitly in countries and regions, both in more stable environments and in post-conflict/transition situations, to the strengthening of good governance of the security system within the rule of law and for the protection of human rights. Attention will also be given to the efficient use of public resources. In Uganda, the Human rights and Good Governance Programme (7 million €) aims at achieving a strengthened national framework for political governance, improved parliamentary governance and democratic accountability, improved access to justice, improved protection of vulnerable groups and a strengthened capacity and professionalism of the Ugandan police in special areas such as human rights and community policing in collaboration with the Ministry of Internal Affairs.
- The quality of public finance management is a central aspect of governance. The international financial community with the active support of the Commission succeeded in rationalising the diagnosis tools, by developing the PEFA, and promotes the strengthening of budgetary development and implementation processes through its support (budgetary aid, technical assistance). The development of internal and external controls such as Courts of Auditors and the role of national parliaments have also actively to be supported as is already done in certain countries. These reform processes have to be carried out stage by stage, by ensuring internal support to the reforms, while being aware that those are complex reforms which require time to be implemented. The strengthening of the financial and banking sectors through the setting up of an appropriate legal framework, in particular as regards banking supervision, property regimes, access to credit, public and customs contracts and the adoption of a foreseeable and transparent taxation system are essential for

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<sup>1</sup> A Concept for European Community Support for Security Sector Reform - COM(2006) 253, 24.5.2006.

the development of the country and the development of the private sector. These reforms encompass the policy, institutional, and legal environment within which an economy functions. Macroeconomic, microeconomic and fiscal policies, government economic agencies, regulatory policies and bodies, company law and legal institutions all form part of an economy's economic governance.

- Transparency in the management and the use of natural resources for the developing countries has to be promoted to ensure that the vast flows of revenue are not put to use to do harm, but rather to promote the development of the country. Thus, the promotion of initiatives such as Extractive Industries Transparency Initiative (EITI), Forest Law Enforcement, Governance and trade (FLEGT), and the Kimberley certification process for diamonds, also form part of the support to governance.
- The accession of partner countries to international mechanisms concerning the fight against corruption (FATF, Conventions of the United Nations) and support to national strategies and to capacity building in partner countries is the subject of particular attention. In Tanzania, for example, the programme "Support to the Prevention of Corruption Bureau" (2 million € 8<sup>th</sup> EDF) aims at strengthening management and organisational systems at the Prevention of Corruption Bureau (PCB) and support the development of an updated legislative framework to improve the operational effectiveness of the PCB. In Ghana, capacity building focussed on the promotion of transparency and accountability in the sectors of rule of law, democratisation and public administration reform ('Support to the Ghana Audit Service, phase 1 (5.6 million € 8th EDF) and phase 2 (4.6 million € 9th EDF). Increasingly, Community aid supports the integration of anti-corruption strategies in poverty reduction strategies and in institutional reform programmes, instead of approaching corruption in an isolated way through specific projects.
- The objective of supporting fiscal, financial and legal good governance is double: on the one hand to promote transparency, exchange of information between the competent authorities to fight corruption and other corporative and financial harmful practices; and on the other hand, to support the implementation of partner countries commitments towards the OECD in the taxation field for the elimination of harmful tax practices. In the tax area, 33 jurisdictions, mainly ACP countries and overseas countries and territories of EU Member States, committed in recent years to implement standards of transparency and effective exchange of information for tax purposes developed under the auspices of the OECD's Global Forum on Taxation. Besides, the EU Code of conduct for business taxation is now a widely recognized instrument to eliminate harmful tax regimes.
- The objective of supporting strategies against money laundering and the financing of terrorism is to encourage partner countries to meet international obligations and standards to halt these financial flows.. The project *EU support to law enforcement against economic and financial crime* in Nigeria (24,7 million € - 2006) foresees the strengthening of the Economic and Financial Crime Commission (EFCC) and the creation of a Financial Intelligence Unit, so as to allow Nigeria to better fight against money laundering and financing of terrorism, in line with international standards.
- The regional approach in structural fields which are key, like tariff reduction and harmonisation, reform of the regulatory and legal framework, harmonisation of the tax systems, enables partner countries to combine their resources The Regional Integration Support Programme (RISP) signed in July 2005 (30 million €), for example, aims at giving

impetus to the regional integration process, by assisting the RIOs to fulfil their mandate and support their respective policy agendas. Among the expected results there are the consolidation and expansion of COMESA FTA, the implementation of the COMESA Customs Union road map and the EAC Custom Union road map.

### **Indicators**

The indicators' examples and experiences in matter of democratic governance are long: one can quote Afrobarometer, Latinobarometro, Transparency International's corruption index, World Bank Governance Index, etc. Some, in particular the macro aggregated indicators, are developed at the international level, others only in specific countries (such as household surveys done by DIAL and Mongolia's experiences in UNDP's in the frame of ICNRD (International Conference on New and Restored Democracy). These various indicators should not be perceived as antinomic but constitute rather a toolbox of complementary instruments to be used depending on situations or problems.

METAGORA is an OECD/PARIS21 hosted project focusing on methods, tools and frameworks for measuring democracy, human rights and governance. Its main objective is to develop tools based on well-established statistical methods to obtain data and create indicators upon which policies can be formulated and evaluated. The project was launched in February 2004 for a two-year pilot term and with a budget of 2.25 million € financed through voluntary contributions of the European Commission (EIDHR) France, Sweden and Switzerland – whose representatives form a Steering Committee of Donors. It is policy-oriented in scope, multidisciplinary in approach, inclusive and participatory in method. It brings together the expertness of leading organizations and individuals of different continents (including human rights practitioners, political analysts, statisticians and academics). Its support activities includes: three pilot surveys on human rights/ governance issues carried out in Mexico City (on abuse and ill-treatment by police forces), in the Philippines (on indigenous people's rights) and in South-Africa (on the implementation of land reform); development of indicators and a data base on the right to education in Palestine; the establishment of a controlled vocabulary and harmonised procedures allowing local NGOs to collect and analyse data on human rights violations in Sri Lanka and two regional multi-country surveys on democracy and human rights issues progressively implemented by official bureaus of statistics in eight African countries and three in the Andean community and a world wide survey on projects measuring human rights and democratic governance.

### **Dialogue on human rights, democratic principles and the rule of law in the Cotonou Agreement**

Essential elements clauses are not intended to signify a negative or punitive approach. They are meant to promote dialogue and positive measures, such as joint support for democracy and human rights, the accession, ratification and implementation of the relevant international instruments where this is lacking. These provisions should be used in a preventive manner, as a means for dialogue under Article 8, to avoid the use of “formal consultation procedures” (such as Articles 96 and 97 of the Cotonou Agreement). In the context of Cotonou revision, the parties, through the new Annex VII, prepared the grounds to jointly agree on targets and benchmarks that allow assessing the state of play and the progress over time as to the fulfilment of essential elements. The purpose is not to give a ground for a judicial judgement, but to enable the Parties to find remedies for insufficient performances in these areas along priorities which depend on each single situation. Targets and benchmarks need to be the result of a specific dialogue between the Parties.

## **Governance in fragile states**

Fragile states are defined on the basis of one or a combination of several of the following elements: lack of commitment by the authorities to the objective of poverty reduction; weak governance; corruption and/or political repression; institutions unable to ensure their citizens security or the conditions necessary to live in peace and freedom. Difficult partnerships range from countries where the EC approach includes dialogue and support through various financial instruments, to extremely difficult partnerships where cooperation has been suspended. In these cases corrective measures may have been jointly identified and their implementation by the government would imply the gradual evolution of the situation into a more functioning/effective partnership. "Fragile states" provides a broader concept and includes not only difficult partnerships but also crises/post-crises situations.

The EU can contribute to progress in fragile states by remaining engaged in the long term; by improving harmonisation and where possible alignment/shadow alignment, and by contributing to early prevention of state fragility through support to governance reform, respect for rule of law and human rights, anti-corruption measures, and the building of institutions that can meet the basic needs of their citizens. To ensure successful implementation of the Paris agenda on aid effectiveness also in fragile states, the EU can contribute to effective early prevention of state fragility by working towards joint analysis and tools to prevent fragility - on risk of fragility, on country context and on crises sensitivity - and by developing joint strategies, planning, monitoring and evaluation.

The EU support to countries in a more advanced stage of fragility, and/or post-crisis should rather focus on how it can contribute to long-term change and transition from a situation of fragility/post-crisis to long term development through contribution to the strengthening of ownership and to the building of legitimate, effective and resilient state institutions and an active and organised civil society. In more extreme cases, where governments are unwilling to develop constructive relations with international actors or their own people, it may be necessary for the EU to engage with and support reform elements and coalitions for change in and outside of government to find local ways forward to stabilise and reduce fragility and increase accountability and legitimacy. Local actors/authorities can play an important role in bringing about change both in less and more extreme cases of fragile states. Sub-regional and regional organisations can also influence through peer pressure in these situations.

EU support to governance reform in fragile states should be accompanied by EU action to enhance consistent and effective implementation of EU external action in the area of governance, security and development through an appropriate and coherent mix of policies and instruments. Building on the OECD/DAC work on principles for good international engagement in fragile states, principles and lessons learned will be taken into account in all EU support to fragile states. These principles highlight that successful development in fragile environments depends, at least in part, on well-sequenced and coherent progress across the political, security, economic, and administrative domains. Working effectively in fragile states will thus require EU donors and other donors to adopt a coherent approach involving departments responsible for political, security, economic affairs as well as those responsible for development aid and humanitarian assistance.

The principles are currently being tested in nine pilot countries. This process will end in December 2006 and based on the lessons learned, a revised set of principles will be presented

to the DAC High Level Meeting in 2007 for consideration and endorsement and use in fragile states. The EC is leading the piloting process in Zimbabwe<sup>2</sup>.

### PRINCIPLES FOR EFFECTIVE INTERNATIONAL ENGAGEMENT IN ZIMBABWE<sup>3</sup>

The overall approach of the pilot process is aimed at contributing to more effective international/donor engagement in Zimbabwe including harmonizing OECD/DAC members' cooperation approaches including on basic support activities for Zimbabwe with a view to paving the way for transition from the current situation towards more effective long term engagement.

The pilot which is focusing on principles 1, 2, 3, 4 and 7<sup>4</sup>, is been taken forward through a core donor group chaired by the EC including the main donors active in Zimbabwe, and three thematic groups around the three main donor areas of interventions, i.e., HIV/Aids, OVC's (orphans and vulnerable children) and Food Security. The first two groups, HIV/Aids and OVC are facilitated by respectively UN AIDS and UNICEF. The Food Security thematic group is facilitated by the European Commission Delegation in close cooperation with the FAO. A new donor group on governance has been proposed by the EC but has so far not materialised.

Due to the current donor - Government of Zimbabwe situation discussions have been limited to the present and future support policies have not yet been possible to table. The fact that most donor representations are seriously understaffed and even downsizing makes it difficult to obtain strong, active participation from them in the implementation of the exercise.

The Zimbabwe government has been informed about the exercise; however, Government involvement outside the technical spheres of the thematic groups has not yet been possible. Overall, the exercise has been limited to the donor community and multilateral – UN agencies. More dialogue with the Government will need to take place to explain clearly the exercise in order to prevent any negative impact on any of the NGO's or other civil society partners that might participate in the exercise.

The main challenge lies, at the present stage, to take the principles out of this theoretical – “projectised” environment and make them operational. A good occasion will be the European Commission programming exercise for the 10th European Development Fund. Under present restricted aid conditions this will be a virtual exercise which will, nevertheless be implemented under full transparency towards the donor community in Zimbabwe. It will be a good opportunity to verify the accuracy and applicability of the principles that were agreed in the first phase of the piloting exercise.

At this stage it is premature to come forward with final conclusions on lessons learned. Nevertheless, the exercise has injected new energy into donor discussions and there is definitive consensus amongst the donors on the principles, however the delicate political

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<sup>2</sup> The other eight pilot countries and lead donors are as follows: DRC – Belgium, Guinea Bissau – Portugal, Haiti – Canada, Nepal – UK, Somalia – UK and World Bank, Solomon Islands – Australia and New Zealand, Sudan – Norway, Yemen – UN and UK.

<sup>3</sup> The title of the exercise had to be changed in the Zimbabwe context to open to possibilities for government participation. Zimbabwe does not consider itself to be a Fragile State.

<sup>4</sup> Principles: 1) take context as a starting point; 2) move from reaction to prevention; 3) focus on institutional development of state institutions as the central objective; 4) align with local priorities and/or systems; and 7) agree practical coordination mechanisms between international actors.

environment between donors and government and amongst donors themselves causes certain reluctance as regards dialogue on planning of future engagement. The principles, in the way they are structured in the piloting process, provoke a “project”-like approach. This implicates a serious workload on the participants to the exercise.

## THE DRC GOVERNANCE AGENDA

The DRC is one of the nine pilot countries where the OECD DAC principles on fragile states are being tested. The process is being coordinated by Belgium and includes all significant OECD DAC donors operating in the DRC. In supporting policy coherence in fragile states, the OECD DAC principles for good international engagement in fragile states provide an important back group for donor action on governance in the DRC<sup>5</sup>.

In looking specifically at the challenges faced by the DRC, issues relating to both security governance and economic governance are paramount and key to the fragile state analysis. These issues are dealt with in the governance profile on the DRC, which is a quantitative analysis instrument in order to ‘measure’ progress on governance in line with internationally accepted criteria which will determine the allocation of additional finance in support of governance actions in the 10<sup>th</sup> EDF.

Specifically in the area of economic governance the fundamental questions of ‘transparency’ and ‘legitimate revenue collection and re-distribution’ are central to the reform agenda. In security governance, overall reform of the army, police and justice systems are pressing priorities. In order to provide security governance ‘service delivery’ and ‘oversight and accountability mechanisms, including parliamentary control’ are central themes.

As the DRC moves into a post-transition phase after elections in 2006, there is a real need to enhance governance in the areas referenced above. To this end, international donors, led by the European Commission and World Bank are in the process of developing a plan to coordinate governance support for the new DRC authorities, which should also assist the DRC’s entry into the African Peer Review Mechanism (APRM).

In line with the principle of local ownership as enshrined in the Cotonou Agreement, the aim of governance support to the DRC is to assist the newly elected DRC government to provide for the needs and respond to the rights of DRC citizens. With this objective in mind the donor governance support will respond to the DRC’s national governance agenda. The objective is to create an integrated governance compact with the DRC, based on dialogue and ownership, rather than conditionality.

While the basis of the governance agenda in the DRC will seek to develop an effective, legitimate and working state system and ultimately enable direct budgetary support, in the interim non-state actors will also have an important role to play, notably in the provision of human rights and in the fight against corruption and impunity.

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<sup>5</sup> See OECD DAC ‘Making Progress in Fragile States’, DAC High Level Meeting, 4-5 April 2006.

## ANNEX 2

### **The governance profile for the ACP countries**

#### Introduction

The governance profile should provide a qualitative, extensive and detailed assessment that helps identifying the main constraints in governance related areas in the broad sense. It is not meant to be exhaustive but focuses on some core issues of governance. Some governance-related issues are not fully covered by the governance profile, because they are already addressed in other relevant documents (annex on non state actors /local authorities' consultation on the CSP, MDG indicators, environmental profile ...).

The governance profile is a programming tool. Its main objective is to help identifying specific areas of cooperation (weaknesses) and agreeing on benchmarks and targets for reform (Government commitments), or on sectoral performance indicators, if governance is a focal area. It will help to assess the extent to which commitments undertaken by partner country are relevant, ambitious and credible for the "incentive tranche".

It can furthermore facilitate the Commission assessment of the governance situation 2005-2006 and analysis of the country situation.

The governance profile is not meant to be done necessarily jointly with the partner country but its content should be shared (but not negotiated and agreed) with partner country during the programming dialogue. EU Member States should be associated.

The profile, to be updated regularly, should be done for all country situations including, effective and stable partnerships, difficult partnerships and fragile states, post-conflict situations. Depending on the country situation other relevant issues can be addressed in the profile. In countries having completed the African Peer Review Mechanism Process, the profile will be based on the report of this review process.

#### Contents

Governance core dimensions (political, institutional, economic, public service delivery) are covered by the profile, which is intended to provide an analysis of the main following aspects:

- A first analytical axis concerns the political and democratic governance and the rule of law ("voice and accountability" "rule of law" for the WBI) with questions about human rights, fundamental freedoms, the electoral processes, the principles of constitutional democracies, the legal system and of application of the law (law enforcement) (judges, police force, penitentiary).
- A second main analytical cluster is devoted to the control of corruption and to the fight against bleaching.
- The third main area concerns the economic governance ("Regulatory capacity" for the WBI). It reviews the incidence of the government's policies on the private sector and the management of natural resources.

- The social governance is then analysed, with questions concerning in particular the measures to combat the HIV/AIDS, the labour law and gender equality.
- External and internal security ("Political and stability absence of violence" for the WBI) tackles the internal conflicts and the stability, and the conflicts outside the country and the questions related to global security (cooperation in the fight against terrorism and in non-proliferation of the WMD).
- Regional integration, trade issues, involvement in governance-related regional initiatives and peer-reviews, as well as migration (dialogue on migrations, "brain-drain" aspects) are tackled in a section devoted to the international and regional context.
- Finally, the governance profile concludes with a section which outlines of the quality of the partnership which includes the quality of the political dialogue, the quality of the programming dialogue and the involvement of the non-state actors and local authorities in the development processes of the partner country.

## 1. POLITICAL/ DEMOCRATIC GOVERNANCE (VOICE AND ACCOUNTABILITY FOR WBI)

### 1.1. Human Rights

Does the government have any particular problem to sign, ratify or transpose to domestic law human rights related global/regional conventions <sup>6</sup> ? If so, why? Please provide comments on implementation of human rights ratified conventions.	
Has the government signed and ratified the statute of the International Criminal Court? Has it signed bilateral immunity agreements with third countries (USA)?	
If death penalty has not been abolished, under which circumstances and grounds it is applied (military, sharia courts ...)?	
Do the watchdog public institutions (Ombudsman, Human Rights Commission), in case they exist, have problems in exercising effective power?	
Is the principle of non discrimination based on sex, race, colour, language, religion, political or other opinion, national or social origin foreseen by the law and effectively guaranteed? If not what are the main problems?	

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<sup>6</sup> **Global instruments:** The Universal Declaration of Human Rights (1948), the International Covenant on Civil and Political Rights (1966), and the International Covenant on Economic, Social and Cultural Rights (1966), plus a number of specific conventions, such as the International Convention on the Elimination of Racial Discrimination (1965), the Convention on the Elimination of Discrimination Against Women (1979), the Convention Against Torture (1984), and the Convention on the Rights of the Child (1989). **Regional instruments: African countries:** African Charter on Human and Peoples Rights (1990), Grand Bay (Mauritius) Declaration and Plan of Action for the Promotion and Protection of Human Rights (1999), African Charter on the Rights and Welfare of the Child (1990), African Platform on the Right to Education (1999), OAU Refugee Convention (1969), Protocol on the Rights of Women in Africa (2003).

Are minorities' and indigenous peoples' political and cultural rights effectively protected? What are the main controversial issues (land rights, political rights ...)?	
<i>Other relevant information, overall appreciation and summary of the main problems identified in this area</i>	

### 1.2. Fundamental Freedoms

Are the following fundamental freedoms recognised and effectively exercised by citizens (what are mains restrictions and problems if not respected)	
- freedom of movement, including entering and leaving the country	
- freedom of thought, conscience and religion	
- freedom of expression	
- freedom of information (are there restrictions to international media and to access to internet?)	
- freedom of assembly and association (including meetings held by political opposition, demonstrations). Is the regulatory environment conducive for civil society organisations, professional associations, trade unions, political parties to operate	
<i>Other relevant information, overall appreciation and summary of the main problems identified in this area</i>	

### 1.3. Electoral Process

Were the last Presidential, parliamentary and/or local electoral processes considered free and fair by EU and/or other international	
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bodies? If not, what are the main obstacles? Please refer to the following elements to assess the electoral process.	
- specific problems that undermine the independence, impartiality and credibility of the authority in charge of supervising the electoral processes	
- electoral census and the voters' registration system	
- specific problems that undermine the principle of equal campaigning opportunities (equal access for all contesting parties to the state-controlled media, availability of published and broadcast media in all constituencies, transparency of financing of political groups / candidates)	
- existence of mechanisms for checking and validating election results - possibility to use recourse procedures	
- possibility of requesting an authorised international election observation - possibility for local observers (from independent NGOs or political parties) to operate	
<i>Other relevant information, overall appreciation and summary of the main problems identified in this area</i>	

#### **1.4. Principles of constitutional democracy**

Does the Constitution contain the principle of the separation of powers?	
How does Parliament exercise its main powers? (legislative	

functions, power to decide the national Budget, oversight of the executive/government's action and capacity to dismiss the executive)	
Are there any political parties or similar structures? If not, what are the main obstacles for their formation and functioning?	
How the political parties ensure political pluralism? (their capability of being representative, their budget,...)	
Is the security system, including law enforcement institutions such as police, armed forces, paramilitary forces, etc, under democratic control and oversight by Parliament and civilian authorities? If not, what are the main obstacles?	
<i>Other relevant information, overall appreciation and summary of the main problems identified in this area</i>	

OVERALL ASSESSMENT OF COUNTRY SITUATION 2005-2006 FOR POLITICAL/DEMOCRATIC GOVERNANCE	level (1 to 4) TREND (1 to 3)
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## 2. POLITICAL GOVERNANCE/RULE OF LAW: JUDICIAL AND LAW ENFORCEMENT SYSTEM

What types of judicial systems (modern, religious, traditional...) coexist in the country? What is their respective jurisdiction?	
Do procedures of nomination, removal, sanctions and promotion ensure the independence of judges?	
Is the current system conducive to a performing judicial system (appropriate salary, training, transparent disciplinary regulations,	

trained judges, equipped courts)?	
Does the judicial system guarantee the right of every citizen to a fair trial? The following elements could be taken into consideration: - Is the access to justice reasonably ensured (including its geographical coverage) and judicial decision taken in a reasonable time? - Is the system for appeal deemed effective?	
In the exercise of its functions, does the law enforcement system (police, judges, penitentiary system) guarantee security of citizens and respect of law, while respecting human rights? Are penalties proportional to crimes? Do prison conditions respect human dignity?	
<i>Other relevant information, overall appreciation and summary of the main problems identified in this area</i>	

OVERALL ASSESSMENT OF COUNTRY SITUATION 2005-2006 FOR POLITICAL GOVERNANCE /RULE OF LAW	LEVEL (1 to 4)  TREND (1 to 3)
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### 3. CONTROL OF CORRUPTION

What are the sectors in which cases of corruption are reported? What kind of corruption is it?  <i>(i.e.: customs, public procurement, revenue collection..?)</i>	
Does the country have an appropriated legal framework enabling to	

<p>fight against corruption? <i>(i.e. Do national law criminalise active and passive corruption to/by a public official, Is an anti-corruption commission or other similar institution in place...)</i></p>	
<p>Is the national legal framework implemented? Are the institutions adequately financed to fulfil their mandate?</p>	
<p>What is the position of the country towards international law regarding the fight against corruption (UN conventions, Financial Action Task Force)<sup>7</sup>?</p>	
<p>Is the country contributing to FATF-GAFI (Financial Action Task Force / Groupe d'action financière)? Is the country implementing FATF/GAFI recommendations on money laundering and terrorism financing<sup>8</sup>? Through which regional mechanisms<sup>9</sup>?</p>	
<p>Does the country have a strategy or reforms addressing the main weaknesses identified here above? Are these strategies / reforms</p>	

<sup>7</sup> FATF 40 recommendations on money laundering  
[http://www.fatf-gafi.org/document/23/0,2340,fr\\_32250379\\_32236920\\_34920215\\_1\\_1\\_1\\_1,00.html](http://www.fatf-gafi.org/document/23/0,2340,fr_32250379_32236920_34920215_1_1_1_1,00.html)

FATF 9 special recommendations fighting terrorism financing  
[http://www.fatf-gafi.org/document/51/0,2340,fr\\_32250379\\_32236920\\_35280947\\_1\\_1\\_1\\_1,00.html](http://www.fatf-gafi.org/document/51/0,2340,fr_32250379_32236920_35280947_1_1_1_1,00.html)

<sup>8</sup> FATF 40 recommendations on money laundering  
[http://www.fatf-gafi.org/document/23/0,2340,fr\\_32250379\\_32236920\\_34920215\\_1\\_1\\_1\\_1,00.html](http://www.fatf-gafi.org/document/23/0,2340,fr_32250379_32236920_34920215_1_1_1_1,00.html)

FATF 9 special recommendations fighting terrorism financing  
[http://www.fatf-gafi.org/document/51/0,2340,fr\\_32250379\\_32236920\\_35280947\\_1\\_1\\_1\\_1,00.html](http://www.fatf-gafi.org/document/51/0,2340,fr_32250379_32236920_35280947_1_1_1_1,00.html)

<sup>9</sup> Such as Groupe d'action financière des Caraïbes GAFIC, Groupe anti-blanchiment de l'Afrique orientale et australe GABAOA, Groupe Intergouvernemental d'Action contre le Blanchiment en Afrique de l'Ouest - GIABA, Groupe Asie/Pacifique sur le blanchiment de capitaux GAP.

integrated in the poverty reduction strategy?	
<i>Other relevant information, overall appreciation and summary of the main problems identified in this area</i>	

OVERALL ASSESSMENT OF COUNTRY SITUATION 2005-2006 FOR CONTROL OF CORRUPTION	LEVEL (1 to 4) TREND (1 to 3)
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#### **4. GOVERNMENT EFFECTIVENESS**

##### **4.1. Institutional capacity**

<p>What are the main obstacles for public institutions (ministries, central bank, tender authority, audit) to exercise their power in an effective manner? The following elements could be taken into consideration:</p> <ul style="list-style-type: none"> <li>- Is their mandate clearly defined?</li> <li>- Do they dispose of qualified staff and adequate budgetary resources?</li> <li>- Is there an effective coordination between the central and local level government?</li> <li>- Is the national and local administration able to formulate and implement policy initiatives?</li> <li>- Are they able to manage external aid?</li> <li>- Do they have the capacity to respond effectively to natural disasters?</li> </ul>	
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<p>If a decentralisation process is ongoing:</p> <ul style="list-style-type: none"> <li>- Are the relevant competencies devolved to local authorities?</li> <li>- Are appropriate resources (staff and budget) secured through allocations in the State's budget or through their own revenues?</li> </ul>	
<p><i>Other relevant information, overall appreciation and summary of the main problems identified in this area</i></p>	

#### **4.2. Public Finance Management (PFM)**

<p>Is there an up-to-date assessment of PFM in the country?</p>	
<p>Describe if there are problems with:</p> <ul style="list-style-type: none"> <li>- the realism of the budget document?</li> <li>- the execution of the budget?</li> <li>- the comprehensiveness and the transparency of the budget?</li> <li>- internal controls?</li> <li>- external scrutiny and audit?</li> </ul>	
<p>Is there a reform programme to improve the quality of PFM?</p> <ul style="list-style-type: none"> <li>- <u>If not</u>, is one being drafted?</li> <li>- <u>If yes</u>, is there evidence of the authorities' commitment to its implementation?</li> </ul>	
<p>Is there evidence of a lack of transparency and/or effective exchange of information for tax purposes?</p> <p>Are there harmful business tax regimes?</p>	

<i>Other relevant information, overall appreciation and summary of the main problems identified in this area</i>	
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OVERALL ASSESSMENT OF COUNTRY SITUATION 2005-2006 FOR GOVERNMENT EFFECTIVENESS	LEVEL (1 to 4) TREND (1 to 3)
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**5. ECONOMIC GOVERNANCE (REGULATORY CAPACITY FOR WBI)**

**5.1. Private sector/market friendly policies**

Is the business climate attractive for private sector investment in particular taking into account - The time and cost to start/end a company	
-The level of access to capital market ; Inadequate bank supervision	
- The customs regulations and the application of the rule	
- The property regime	
- The labour regulations	
- The unofficial payment for firms to get things done	
<i>Other relevant information, overall appreciation and summary of the main problems identified in this area</i>	

**5.2. Management of natural resources**

Has the country adhered to the EITI (Extractive Industries	
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<p>Transparency Initiative)? If not, what are the problems regarding the adherence?</p> <p>Has the country encountered any problems in the implementation of the EITI (programme, activities, creation of an EITI specific department)?</p>	
<p>In case the country is concerned by the illicit production and trade of “conflict diamonds”, is the Government involved in and cooperative with the Kimberly Process Certification System (KPCS)?</p> <p>Has it put in place the appropriate controls to eliminate the presence of conflict diamonds in the chain of producing and exporting rough diamonds?</p>	
<p>FLEGT (Forest Law Enforcement, Governance and Trade)</p> <p>Is the country affected by illegal logging and the trade in illegally-harvested timber? If yes, what steps has the government taken to strengthen forest sector governance, and address underlying causes of illegal logging?</p> <p>Has there been dialogue between the government and the Commission concerning the EU FLEGT Action Plan, and is the country a potential candidate for a partnership under the FLEGT Action Plan?</p>	
<p>Does the country implement the FAO Code of Conduct for Responsible Fisheries (CCRF)?</p>	

<p>OVERALL ASSESSMENT OF COUNTRY SITUATION 2005-2006 FOR ECONOMIC GOVERNANCE</p>	<p>LEVEL (1 to 4)</p>
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TREND (1 to 3)
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**6. INTERNAL AND EXTERNAL SECURITY (POLITICAL STABILITY AND ABSENCE OF VIOLENCE FOR WBI)**

**6.1. Internal stability/conflict**

What kind of internal ethnic/regional conflict can be identified? Please specify its causes and the ongoing conflict resolution process, if any.	
Can signs of civil unrest be detected? If yes, which sectors of society are affected?	
<i>Other relevant information, overall appreciation and summary of the main problems identified in this area</i>	

**6.2. External threats and global security**

Is the country respecting international/regional agreements related to Antipersonnel Landmines, Explosive Remnants of War and illicit trafficking and spread of Small Arms and Light Weapons?	
Does the country respect international law and its regional obligations in managing external conflicts? Is the country involved/affected by any external conflict?	
Is the country contributing positively (troop contributions to PK by UN) to the maintenance of peace in the world, continent, region?	
Is the country involved actively in peace mediations?	
Is the country committed to implement UN Security Council	

Resolution 1373 (2001) and UN Convention on Terrorism? Does the country have the institutional capacity/legislation to contribute to the fight against terrorism?	
Does the country comply with and implement international norms and convention against the proliferation of weapons of mass destruction and their means of delivery?	
<i>Other relevant information, overall appreciation and summary of the main problems identified in this area</i>	

OVERALL ASSESSMENT OF COUNTRY SITUATION 2005-2006 FOR INTERNAL/EXTERNAL SECURITY	LEVEL (1 to 4)  TREND (1 to 3)
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## 7. SOCIAL GOVERNANCE

Does the government have any particular problem to sign, ratify or transpose to domestic law the eight fundamental ILO Conventions <sup>10</sup> ? If so, why? Please provide comments on implementation of ILO ratified conventions, in particular on children.	
Does the country have a National Strategic Plan to enable it to respond to the challenges of HIV/AIDS, e.g. a national Coordination Committee, etc.?	

<sup>10</sup> Conventions on freedom of association and collective bargaining (conventions 84, 98) , on elimination of forced and compulsory labour (conventions 29, 105), on elimination of discrimination in respect of employment (Conventions 100, 111), on abolition of child labour (Conventions 138, 182).

Where national strategies and structures exist to respond to the challenges of HIV/AIDS, how far are there the political will and the commitment of domestic resources to ensure that they are effective?	
Does the government have any particular problem to sign, ratify or transpose to domestic law the most important international conventions and declarations on gender equality <sup>11</sup> ? If so, why? Please provide comments on implementation.	
Has the country put in place strategies and structures to respond to the challenges of gender equality, e.g. a national strategic plan, a coordination committee or the like?	
Did the country establish and implement a plan of action for decent work or a similar programme ? What are its priorities? Is this plan of action included in PRSP or other development strategies ? Is civil society involved?	
<i>Other relevant information, overall appreciation and summary of the main problems identified in this area</i>	

OVERALL ASSESSMENT OF COUNTRY SITUATION 2005-2006 FOR SOCIAL GOVERNANCE	LEVEL (1 to 4)  TREND (1 to 3)
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<sup>11</sup> Convention on all forms of discrimination against women (CEDAW, 1979), the Cairo Programme of Action (1994), the Beijing Platform for Action (1995).

## 8. INTERNATIONAL AND REGIONAL CONTEXT

### 8.1. Regional integration

Level of implementation of the national obligations with respect to the economic integration agenda relating, mainly, to the creation of a free trade area or a customs union.		
Level of application of the programmes or regional action plans of the other regional policies (transport policies, facilitation of trade ... ) who form part of "the/regional 'acquis communautaire'".		
Level of commitment in regional institutions, in particular regarding country's financial obligations and respect of regional judicial bodies decisions.		
Consistency and technical/legal compatibility of country's position regarding the various regional agendas in which the country is involved, level of commitment in RECs' rationalisation process.		
<i>Other relevant information, overall appreciation and summary of the main problems identified in this area</i>		

### 8.2. Involvement in regional initiatives on governance and peer review mechanisms (such as APRM)

Is the country actively participating in regional initiatives on governance?		
Has the country acceded to the Africa Peer Review (APR) process? Is the country being reviewed or has it been reviewed?		
Is APR programme of action integrated in the PRS, in the MTEF, etc		
<i>Other relevant information, overall appreciation and summary of the</i>		

*main problems identified in this area*

### **8.3. Migration**

Has the country been invited to deepen the dialogue with the EU on the broad agenda of migration related issues contained in Article 13 of the Cotonou Agreement?

If yes, has it responded positively? Have interlocutors been identified? Has an agenda for dialogue been proposed / agreed? Is there an open debate and good cooperation on the implementation of the readmission obligation?

In case where development aspects of migration have been identified as an important issue (e.g. brain drain / return of qualified nationals, remittances, relation with diaspora), does the country show willingness to address them in the programming dialogue? Does the country pursue a pro-active approach in this policy field? What steps have been taken in this context?

In case where refugee aspects of migration have been identified as an important issue (either as a host country or as a country of origin), does the country show willingness to address the position of refugees in the programming dialogue? Does the country, when appropriate, cooperate on initiatives to enhance domestic or regional protection capacity?

Does the country pursue a pro-active approach in this policy field?

What steps have been taken in this context?

In case where illegal migration, smuggling and/or trafficking of human beings have been identified as an important issue, does the country show willingness to address these issues in the programming

dialogue? Does the country pursue a pro-active approach in this policy field? What steps have been taken in this context?	
<i>Other relevant information, overall appreciation and summary of the main problems identified in this area</i>	

OVERALL ASSESSMENT OF COUNTRY SITUATION 2005-2006 FOR INTERNATIONAL AND REGIONAL CONTEXT	LEVEL (1 to 4)  TREND (1 to 3)
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## 9. QUALITY OF PARTNERSHIP

### 9.1. Political dialogue

Are there agreed terms of reference, joint agendas and established calendar for Article 8?	
Would you qualify it as open and constructive? If not, what are the main difficulties?	
Did the political dialogue lead to any concrete achievement?	
Within Article 8 is dialogue on essential elements systematic and formalised? Have specific benchmarks or targets been agreed?	

### 9.2. Programming dialogue

Does the government involve Parliament, non-state actors and local authorities in the programming dialogue?	
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Was the programming exercise effectively a joint and open process? Did the Government actively promote co-ordination and harmonisation with other donors?	
<i>Other relevant information, overall appreciation and summary of the main problems identified in this area</i>	

### 9.3. Non State Actors

Participatory approaches to development: does the government involve non-state actors and local authorities in the PRS process (preparation, follow-up)?  <i>Note: an assessment of the quality of participatory approaches should be provided in Annex 5 to CSP</i>	
<i>Other relevant information, overall appreciation and summary of the main problems identified in this area</i>	

OVERALL ASSESSMENT OF COUNTRY SITUATION 2005-2006 FOR QUALITY OF PARTNERSHIP	LEVEL (1 to 4)  TREND (1 to 3)
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### OVERALL CONCLUSION

## **GOVERNANCE DATA – EXAMPLES**

Details and internet links to the tools below as well as to other guides are provided below.

- Governance country diagnostics by the World Bank Institute (available for a very limited number of countries)
- Economic Commission for Africa
- International IDEA
- Africa Development Bank's Governance Profiles

## **ANNEX - GUIDE – AVAILABLE TOOLS**

### **External Internet sites**

**APRM** - <http://www.nepad.org/2005/files/aprm.php>

### **Ranking of countries according to the evolution of selected governance indicators over time:**

World Bank Institute - the link below present the updated aggregate governance research indicators for 209 countries for 1996–2004. Six dimensions of governance are examined: (1) Voice and Accountability (measuring political, civil and human rights); (2) Political Stability and Absence of Violence (measuring the likelihood of violent threats to, or changes in, government, including terrorism); (3) Government Effectiveness (measuring the competence of the bureaucracy and the quality of public service delivery); (4) Regulatory Quality/Burden (measuring the incidence of market-unfriendly policies); (5) Rule of Law (measuring the quality of contract enforcement, the police, and the courts, as well as the likelihood of crime and violence) and (6) Control of Corruption (measuring the exercise of public power for private gain, including both petty and grand corruption and state capture)

<http://info.worldbank.org/governance/kkz2004/>

TI Corruption Perception Index (2005 and previous years)

[http://www.transparency.org/policy\\_and\\_research/surveys\\_indices/cpi/2005](http://www.transparency.org/policy_and_research/surveys_indices/cpi/2005)

### **Governance diagnostics**

World Bank Institute – Governance country diagnostics

<http://www.worldbank.org/wbi/governance/capacitybuild/d-surveys.html>

African Development Bank – governance profile and other relevant data per country are available in the “African Development Report 2005”: <http://www.afdb.org>

### **Signature and ratification of international instruments**

Human rights – Global conventions

<http://www.ohchr.org/english/countries/ratification/index.htm>

## ILO Conventions

<http://www.ilo.org/ilolex/english/convdisp2.htm>

(state of ratification of each convention - click on the reference on the left hand side)

## OAU/AU Treaties, Conventions, Protocols, Charters, including the list of countries which have Signed, Ratified/Acceded

<http://www.africa-union.org/root/au/index/index.htm>

(select “documents” in the left, then click on “Treaties, Conventions & Protocols”)

## Interamerican Convention Against Corruption (1996)

<http://www.oas.org/main/main.asp?sLang=E&sLink=http://www.upd.oas.org>

(select “corruption” under Sectors and topics, in the top)

## ADB-OECD Anti-Corruption Initiative for Asia-Pacific

<http://www1.oecd.org/daf/asiacom/index.htm>

## **Commission intranet sites**

We developed methodological tools which should facilitate the development of the governance profile, the programming dialogue and the instruction of the projects/programmes.

- The new format of CSP for the ACP countries locates the analysis of the questions related to the governance in the broader context of the analysis of the political situation and provides useful information on this subject. The aim is to facilitate the link between the analysis and the answer strategy.
- Programming sheets by subsector (human rights and democracy, rule of law - legal and Parliaments -, Anti-Corruption, Decentralisation, economic and institutional Reforms - budgetary Support -) are available on the site of the iQSG. These sheets contain more detailed elements of analysis and indications on possible guidelines for interventions in each field.  
<http://www.cc.cec/home/dgserv/dev/newsite/index.cfm?objectid=E20B9EA4-ABD6-296E-65D6BCC3AE40E935>  
<http://www.cc.cec/home/dgserv/dev/newsite/index.cfm?objectId=E2D48344-DB4E-ED35-45155B9BE3AD8217>
- "handbook on Good Governance" product by a thematic network of the Commission coordinated by EuropeAid will facilitate the project identification in "six clusters" (1) Support to democratisation including electoral processes and observation; (2) Promotion and protection of human rights; (3) Reinforcement of the rule of law and the administration of justice; (4) Enhancement of the role of non-state actors and their capacity building; (5) Public administration reform, management of public finances and civil service reform and (6) Decentralisation and local government reform and capacity building;  
([http://europa.eu.int/comm/europeaid/projects/eidhr/themes-governance\\_en.htm](http://europa.eu.int/comm/europeaid/projects/eidhr/themes-governance_en.htm)).

Some of the issues examined in the Commission’s “**Check list for root-causes of conflict**” are relevant for the governance profile

[http://europa.eu.int/comm/external\\_relations/cpcm/cp/list.htm](http://europa.eu.int/comm/external_relations/cpcm/cp/list.htm)

## **ANNEX 3**

### **The African Peer Review Mechanism**

#### **Introduction**

The African Peer Review Mechanism (APRM), developed under the NEPAD lead, is an African self assessment and self monitoring mechanism voluntarily acceded to by African States. Its purpose is to foster the adoption of policies, standards and practices leading to political stability, high economic growth and sustainable development, through peer learning and sharing of best practices among participating countries. The donors' community welcomed the idea of the APRM and recognised the Mechanism as an important element to identify "enhanced partner countries".

#### **Development of the APRM**

The NEPAD commitment to promote good governance resulted in the adoption of the concept of the APRM in March 2002. Three months later a core document of the Mechanism, a Declaration on Democracy, Political, Economic and Corporate Governance, was approved. Subsequently, both the APRM and the Declaration were endorsed by the African Union Summit in Durban (July 2002), which encouraged all member states of the AU to adopt the Declaration and accede to the Mechanism. Further key documents required for the implementation of the process<sup>12</sup> were adopted in March 2003. The next step, the nomination of the Panel of Eminent Person<sup>13</sup>, was completed before the AU Maputo Summit, held in July 2003. The inaugural work-session of the Panel took place on 24-25 July 2003 and was followed by a first meeting of the APR Forum, the highest decision-making authority of the APRM. The APR Forum and Panel meetings in Kigali, on 13 February 2004, gave a boost to the process, taking decisions on the timetable of reviews, as well as on the modalities and the budget of the APRM.

#### **Participation and timing of reviews.**

26 States have formally acceded to the process namely Algeria, Angola, Benin, Burkina Faso, Cameroon, Egypt, Republic of Congo, Ethiopia, Gabon, Ghana, Kenya, Lesotho, Mali, Malawi, Mauritius, Mozambique, Nigeria, Rwanda, South Africa, Senegal, Sierra Leone, Tanzania and Uganda, São Tomé e Príncipe, Sudan and Zambia.

The APR Panel has finalized reviews for Ghana, Rwanda and Kenya. The Country Review Reports for these three countries were presented to the Committee of Participating Heads of State and Government (APR Forum). Mauritius, Benin, South Africa, Algeria are expected to be reviewed in 2006.

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<sup>12</sup> Memorandum of understanding on the Africa Peer Review Mechanism, APRM Base Document, APRM: Organisation and Processes, Objectives, Standards, Criteria and Indicators for the APRM, Outline of the Memorandum of Understanding on Technical Assessments and the Country Review Visit.

<sup>13</sup> 7 members of the Panel of Eminent Persons, appointed with respect to the geographical balance and gender, are the following : Mourad Medelci (Algeria), Adebayo Adedeji (Nigeria), Dorothy L Njeuma, (Cameroon), Bethuel Abdu Kiplagat (Kenya), Marie Angélique Savané (Senegal), Graca Simbine Machel (Mozambique), Christian Lodewyk Stals (South Africa).

## **The APRM process**

The APR process is based on regular reviews which consist of the following stages:

- Information gathering and Draft Programme of Action
- Country Review Visit
- Preparation of APR Team's Country Review Report
- Consideration of the APR Team's Report
- Implementation and public release of the Report

The first review is carried out within eighteen months after a country became member of the APRM process. At the first stage the country itself conducts an assessment in the areas of political, economic and corporate governance, and development environment<sup>14</sup>, and drafts its Country Programme of Action. Subsequently, an APRM Team conducts the Country Visit and engages in a wide range of consultation with key stakeholders of the country. As a result the APRM Team drafts the Country Review Report which is submitted (after being discussed with the Government concerned) to the APRM Panel and APR Forum for consideration and recommendations. Finally, the Country Review Report is publicly tabled six months later in key regional and sub-regional structures, including the Pan-African Parliament, the African Commission on Human and Peoples' Rights, the Peace and Security Council and the Economic, Social and Cultural Council (ECOSOCC). The expected outcome of the review is to identify the country's main shortcomings and provide recommendations on improvements required. The first review is followed, between two and four years thereafter, by mandatory reviews which check the progress made by the country regarding the implementation of its Programme of Action. Besides, a country may ask for a review which is not part of the periodical assessment, or a review can be called for by participating Heads of State and Government in case of early signs of impending political or economic crisis in a member country.

## **APRM structures**

The highest decision-making authority of the APRM is the Committee of the Participating Heads of State and Government (APR Forum), which has also ultimate responsibility for exercising the peer dialogue and persuasion which is expected to make the APRM effective and credible. The management of the review process is entrusted to the Panel of Eminent Persons, supported by a Secretariat, charged with both operational and analytic work<sup>15</sup>. The Country reviews are carried out by an APR Team. APR Partner Institutions, such as UNECA and ADB, conduct technical assessment, respectively in the areas of economic governance and management, as well as in the field of banking and financial standards. The responsibility for the political assessment under the APRM, will be entrusted to relevant institutions and organs of the African Union, dealing with democratisation, good governance and human rights (ex. Pan-African Parliament).

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<sup>14</sup> The assessment is based on a questionnaire developed by the APR Panel and Secretariat.

<sup>15</sup> The Secretariat of the APRM has been established as a unit within the NEPAD Secretariat.

## **APRM financing**

In order to affirm African ownership of the Mechanism, it was agreed that resources for the APRM would come predominantly from the African side. For the 16 countries to be reviewed as first, a tentative budget of almost 15 million USD was announced, to which the Africans will contribute at least 50%. This budget will cover only the “continental part” of the process (reviews), but not the implementation of the APRM driven reports at the country level. For the continental part, the following sources of funding have been identified: voluntary contributions of APRM members (minimum 100,000 USD each), contribution from partners, preferably to an APRM Trust Fund (managed by UNDP) and funds to cover the “national” phase of the process (“in-country costs”), to be mobilized by countries under review. The APRM Secretariat has foreseen an annual budget of the order of 6 million USD for the period 2006-2008.

As to reforms triggered by the APRM at the country level, the participating countries are free to ask donors for appropriate assistance. The UNDP is currently establishing trust funds at the country level to help ensure coordination of donors’ funding to the APRM reforms.

## **ANNEX 4**

### **List of acronyms**

ACP	African, Caribbean and Pacific States
APRM	African Peer Review Mechanism
AU	African Union
CSO	Civil Society Organisations
CSP	Country Strategy papers
DIAL	Development Institutions and Long Term Analyses
EDF	European Development Fund
EITI	Extractive Industries Transparency Initiative
EU	European Union
FATF	Financial Action Task Force on Money Laundering
FLEGT	Forest Law Enforcement, Governance and Trade
GBS	General Budget Support
ILO	International Labour Organisation
KPCS	Kimberley Process Certification Scheme (intergovernmental process to tackle use of diamonds to fund armed conflict)
MDG	Millennium Development Goals
MS	Member States
NIP	National Indicative Programme
NEPAD	New Partnership for African Development
ODA	Official Development Aid
OECD	Organisation for Economic Cooperation and Development
PEFA	Public Expenditure & Financial Accountability
PRODIAF	Promotion of social dialogue in French-speaking Africa
RECs	Regional Economic Communities
SWAP	Sector Wide Approach