

**Comments from DDRN members on Background Analysis and Strategy: Danish support to good governance –Effective and accountable public sector management,**

*Compiled by DDRN board member, Anne Mette Kjær, University of Aarhus.*

The following comments are submitted by members of Danish Development Research Network. Since we obviously cannot speak with one voice, these aggregated comments do not necessarily express unanimity among members. They simply represent the most frequent comments mentioned. We hope they can be of use to Danida. In general it is a good, comprehensive and thoughtful analysis and strategy. Our comments relate to four aspects: Definitions and concepts, feasibility of reform, omissions, and structural conditions of good governance.

**Definitions and concepts:**

- **Type and definition of public sector reform.** The definition is very affected by New Public Management principles. Reforms have often and rightly been criticized for lacking Weberian dimensions that focus more on building capacity than on slimming, downsizing and performance pay that is hard to measure and difficult to implement without a well-functioning pay system in place.
- **Definition of governance,** It is very general and also ambitious. It may help to disaggregate and distinguish between the type of governance needed for different sectors or policies (i.e. Merilee Grindle's discussion of what is *good enough* governance). It could be beneficial to discuss what particular institutions may promote pro-poor development.
- **Definition of civil society.** Civil society is not one entity but consists of many different actors affecting or not affecting reform in various ways. Political actors, such as political parties play a potentially important role, but NGOs are the only ones mentioned.
- **Local service delivery and governance** is, according to the draft, carried out exclusively by local government; the reality is generally that a more diverse mix of organisations (formal and informal) performs these functions.

**Feasibility of reform**

- There is a need to discuss more the potential drivers of reform. Ownership is important, as stressed in the report, but ownership could be disaggregated more, e.g. whose ownership to what part of the reforms?
- The sustainability of reform –is it aid dependent or is a sustainable revenue source being built? Is the domestic revenue base strong enough to sustain good governance in the long run? This aspect is not analyzed adequately in the report.
- The importance of understanding the political economy of reforms is highlighted but not integrated into each section. Moreover, political will is as important in reform implementation as in deciding upon reform. However, the role of politics in implementation could be more thoroughly addressed.
- Donors own role in affecting interests in and drivers of reforms is not discussed much.
- 'Local service delivery and governance' is of great importance when addressing context-specific challenges, where Direct Budgetary Support does not suit well. At this level, however, delivery of services and adaptability to change is provided by a complex mix of local organisations and processes. As a result, section 4.2 is strongly welcome, but we suggest that particular reference could be made to the importance of this form of support in a number of specific areas:

- Investment in environmental assets of poor people and communities (such as improvements to soil quality, reductions in indoor air pollution etc).
- Support to a diversity of local organisations - not just local authorities.
- Awareness of the important role of 'trusted intermediary' organisations.

### **Omissions or themes not sufficiently discussed**

- **Gender:** It is positive that gender aspects are incorporated in the strategy paper. It could be considered to highlight the link between pro-poor development and gender equality. Likewise gender (and poverty) impact studies could be mentioned in connection with the monitoring system (p.12). The strategy and background paper mention Gender as a crosscutting issue, but it disappears from the documents and becomes nothing but an 'add-on' rhetorical text bit one can expect from the ministry (on page 12 it is flagged but have not been dealt with). It is not backed up in the strategy.
- **Exclusion of issues such as democratization, and the role of parliament:** Is it wise as stressed on page 5 in the strategy when arguing for the Focus to develop a second paper and strategy on human rights, democratisation, the media, judicial sector and rule of law when it is acknowledged that these issues are at the core of good governance and PSR/PSM? In the strategy paper, these issues are not described as separate from the public sector, which demonstrates how difficult it is to keep up the distinction.
- **Fiscal decentralization,** Financing local government is essential, and local taxation is crucial to local accountability, but such considerations are not treated adequately.
- **Danida's own governance:** The strategy lacks a section on its own governance. Transparency within Danida could be considered, and initiatives could be discussed parallel to the World Bank's "Disclosure Policy" to make information about its activities widely available. The policy establishes the Bank's general approach to opening its records, and details the many Bank documents available to the public. As the policy demonstrates, the Bank believes that widespread sharing of information is essential for development." Access to Danida Documents on the net is not always easy.
- Further on **Danish capacity:** There is little about "how" to improve the Danish capacity and capability including monitoring (capacity is not staff and skills only but quality as well (p. 9)), and no mentioning about the Danish resource base within this area (p.4).

### **Overall structural conditions for achieving good governance inadequately addressed by the report**

- Adverse trade relations have indirect and direct effects on good governance.
- Migration issues, brain drain etc are important.
- Aid dependence may create its own disincentives to create good governance, as important academic contributions have shown.
- Impacts of climate change over the coming years will present new governance challenges. We can already begin to anticipate major implications for social structures and institutions, particularly in countries with large populations in low-lying cities.