

# Good Governance, Private-Public Dialogue and Sound Democratic Structures in Countries in Development

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Africa, Caribbean/Pacific, Asia, Central/Eastern Europe, EU Member Countries and Scandinavia.

## Background and Objectives of the Commissioned Study

Good governance is increasingly gaining recognition as both a precondition and foundation for the Millennium Development Goals and sustainable development. Strengthening democratic systems also helps to create conditions for greater equity and participation by the poorest in the wider development process. At the Development Council in May 2002, the EC committed itself to deepen its work on governance. To this end, a working group with Member States is being established to define a consistent and common EU approach to governance related issues in development cooperation. The research presents an overview of approaches to governance-related issues and links with poverty reduction objectives of development cooperation among a sample of European Union Member States and other donors. The report, as part of the EC=PREP research programme, contributes to the definition of a consistent and common EU approach to governance related issues within the EC Directorate General Development initiative on Institutional Capacity Building. The report is divided into four main sections, the first providing study objectives and methodology, the second and third providing a summary and analysis of Member State and other donor approaches to good governance and development. The main conclusions and recommendations are in the final section.

## Research Findings

- All eight of the Member States studied highlight poverty reduction as a key component of development policy.
- In all of the Member States surveyed, environmental, economic and social sustainable development is also given prominence as a key aspect of development policy.
- There are significant differences in the way in which Member States define the specific focus of their development policy. In some cases, the primary development objective appears to be poverty reduction itself (e.g. Netherlands, Sweden and UK), whereas in others sustainable development seems to be the goal with poverty-oriented economic growth (Denmark) or poverty reduction (France) as one of the key means of achieving sustainability.
- In some member states, governance-related development cooperation seems to have strong links to national foreign policy more generally.
- Some Member States view good governance as primarily a legal and political concept (i.e., human rights, rule of law, democratisation and formal political participation, etc.) and others see it focused more on capacity and quality building (including public sector service issues, private sector roles, anti-corruption, role of non-state actors, etc.)

In cooperation with



- Overall, the way Member States conceptualise governance is shifting from an initial donor focus on economic processes and administrative efficiency towards greater concern for issues of democracy, justice and participation.
  - The poverty focus of all Member States appears to offer a common basis for a joint governance assessment framework. More generally, Member State cooperation with multilateral agencies presents an opportunity to develop enhanced assessment criteria for selecting partner countries, and monitoring and evaluating development cooperation programmes.
  - There should be an ongoing coordination process linked to the EC CSP review process that monitors donor activity and helps identify areas for potential collaboration.
  - The EC Member States Governance Experts Group can offer an appropriate focus for continuing EC efforts to strengthen governance-related monitoring and evaluation tools at field level and to support EC efforts to develop operational guidelines for EC Delegations on participatory processes for the development of governance assessment criteria, indicators and priorities for EC support.
- Main Conclusions**
- There appears to be an increased emphasis by Member States and other donors on good governance as a condition for development cooperation. This emphasis on governance-related aid conditionality could provide the impetus for development of EC/MS common or coordinated selection criteria for partner countries.
  - Member States welcome the leadership role of the EC in political dialogue with partner countries and via CSP processes. EC contributions, with active leadership of EC delegations, help to build shared donor understandings of the country context, governance priorities and needs.

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For further information on this research project, please visit:

EC-PREP website: [www.ec-prep.org](http://www.ec-prep.org)

New Academy of Business website: [www.new-academy.ac.uk/](http://www.new-academy.ac.uk/)

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EC-PREP is supported by the UK Department for International Development (DFID). In 2001, DFID, in collaboration with the European Commission, launched the European Community's Poverty Reduction Effectiveness Programme (EC-PREP). The main objective of this research initiative is to produce findings and policy recommendations that support and contribute to improving the European Community's effectiveness in attaining poverty reduction targets via its external assistance programmes. The programme has funded 13 Research Projects and 10 Commissioned Studies, which relate to one or more of the six focal areas of EC's development policy. More information about the research funded by EC-PREP can be found on [www.ec-prep.org](http://www.ec-prep.org).