Dili International Conference on the post-2015 Development Agenda

'Development for all: Stop conflict, build states and eradicate poverty'

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BRIEFING NOTE - SESSION 2a

Governance, Statebuilding and Development

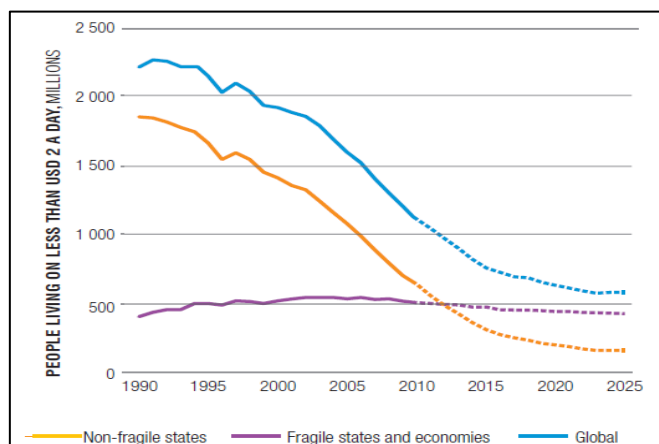**The Dili International Conference is generously supported by:**

The importance of governance to development

The primary focus of the MDGs is on improving outcomes in basic service areas like health and education, and on poverty reduction. While of course important, it is increasingly recognised that it is difficult to accelerate progress in many parts of the world without also strengthening the **broader governance environment** in which such services are delivered. Research reveals that in fragile states, which face some of the biggest governance challenges, progress against MDG goals has been slowest.[1] As the following graph shows, for example, reducing poverty in fragile states has proved comparatively difficult.

The High Level Panel on the Post-2015 Development Agenda, following their recent meeting in Monrovia, noted the importance of addressing governance issues in the post-2015 development agenda:

"Economic growth alone is not sufficient to ensure social justice, equity and sustained prosperity for all people…The protection and empowerment of people is crucial. This will require peace building and stronger domestic institutions - including effective, accountable and transparent governments and peaceful, just and equitable societies that protect and promote human rights and eliminate all forms of violence."[2]

In 2011 the g7+ Group of Fragile States and their development partners agreed the New Deal for Engagement in Fragile States. The New Deal's *Peacebuilding and Statebuilding Goals* set out five key governance foundations that need to be in place in order for sustainable development to occur. These are: Inclusive Politics, Security, Justice, Economic Foundations and Revenues and Services.[3] This understanding of governance is far **broader than the conception of governance that currently dominates the debate** and which overwhelmingly focuses on issues of transparency and accountability.[4] As Chair of the g7+, H.E. Emilia Pires noted at the High Level Panel in Monrovia:

"We are also talking about ensuring the institutions of the state can deliver services to the people. It means that we as states can manage our own resources and revenues; continue to improve service delivery, build or strengthen our institutions and enhance citizen/state confidence…This is what we mean by state building; and it clearly applies to all countries."[5]

Based on this broader definition, governance and statebuilding can be seen to consist of three main elements: **the inclusivity, capability and accountability of state institutions** to deliver core services to citizens. Poor governance inhibits development in all countries, not just in fragile states. Without capable state institutions, basic services like security, justice, health and education cannot be provided. Without strong and inclusive state-society relations, people cannot meaningfully participate in politics and governments cannot rely on broad-based popular support. Such situations can lead to grievances and inequalities that foment conflict, devastating development within a country.[6] Strong and inclusive state-society relations depend upon a political settlement in which power is restrained through the rule of law, and not used with impunity against the population by the political elite. Without transparent and accountable government, citizens cannot hold their political leaders to account for their actions and the social contract breaks down. Poor governance can also deter private investors who require capable state institutions that can maintain the rule of law and ensure that due process, for instance in relation to contract and property law is adhered to.

Governance issues can thus be seen as **central to sustainable human and economic development**, and are vital considerations in the post-2015 development agenda.

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[1] OECD DAC High Level Meeting 2012 - *Building blocks to prosperity: The Peacebuilding and Statebuilding Goals (PSGs)*
[2] Communiqué: Meeting of the High---Level Panel of Eminent Persons on the Post---2015 Development Agenda in Monrovia, Liberia 1 Feb. 2013
[3] International Dialogue for Peacebuilding and Statebuilding, 'New Deal for Engagement in Fragile States,' December 2011, http://www.newdeal4peace.org/wordpress/wp-content/uploads/New-Deal-for-engagement-in-fragile-states.pdf.
[4] For example see the World Bank (2007), *Governance and Anti-corruption Strategy*
[5] Speech available at: www.g7plus.org/news-articles/2013/2/11/governance-and-institution-building-lessons-from-fragile-and.html
[6] F. Stewart , G.K. Brown and A. Langer, 'Major Findings and Conclusions on the Relationship Between Horizontal Inequalities and Conflict', in F. Stewart (ed.), Horizontal Inequalities and Conflict: Understanding Group Violence in Multiethnic Societies, Basingstoke: Palgrave Macmillan, 2008; A. Sen, 'Violence, Identity and Poverty,' *Journal of Peace* Research, 2008, 45(1): 5-15.

What's currently on the table in post-2015 discussions?

There has been much interest in addressing governance in the post-2015 development framework. A review of what has been proposed to date, based on data in the Future Development Goals Tracker[7], reveals that there are at least twenty relevant proposals and ideas on bringing governance into the future goals. These have been put forward by various stakeholders, and many of them prioritise equality (particularly gender equality), political freedoms, accountability and human rights.

While the proposals are diverse, for the purpose of this briefing it is useful to consider which offer ideas on the three elements of governance and statebuilding identified above, being inclusivity, accountability and capability:

1) **Inclusivity** can be understood to cover political rights and freedoms, access to justice and other state services, and participation in public life and institutions by different groups. The human rights dimension is often seen as a part of, or alongside, this agenda.

   Current proposals in this area include:

   - UNDP (2012) has proposed *Areas that could shape post-2015 goals on governance,* addressing (among other factors) 'participation and inclusion'; the World Governance Indicators (WGI) could measure progress.

   - The *MDGs 2.0* proposal by the Center for Global Development (2012) also suggests using the WGI as a measurement framework, and proposes that goals address 'human rights, democracy and good governance'. It notes 'political freedoms' could be measured through the Freedom House Index.

   - Save the Children focus on "open, accountable and inclusive" governance. This would involve, among other factors, ensuring all countries have participatory governance with greater freedom of speech, press and political choice. It suggests measuring these with relevant existing CIRI indicators.

   - In the Earth Institute's proposal for Sustainable Development Goals, their fourth SDG is on governance, advocating a commitment to (among other factors) human rights, participation and inclusion.

   - IBON International suggest goals on democracy and good governance, focusing on people's participation in decision-making, access to information, and access to justice; alongside access to remedies for victims of human rights violations.

   - The Center for International Governance Innovation proposes, within its *Bellagio Goals*, a Candidate Goal 9 of 'empowering people to realize their civil and political rights' which would be measured using targets and indicators on human rights and political participation.

2) **Accountability** is a key cross-cutting theme in post-2015 discussions. It is considered as a useful principle to apply to the post-2015 framework itself. It is also seen as particularly important for good governance, and the legitimacy and effectiveness of state actors. Accountability is often seen in combination with 'transparency', whereby information availability (e.g. making budgetary and other data available to the public) can contribute to effective citizen engagement.

   Current proposals in this area include:

   - The advocacy group ONE is calling for greater transparency and openness in implementing and monitoring the next set of global goals, by both governments and donors.

   - Save the Children focus on transparency, measuring open budgeting (using the Open Budget Index) and freedom of information.

   - In the Earth Institute's proposal for Sustainable Development Goals, their fourth SDG on governance notes the importance of a commitment to the rule of law, transparency and 'sound economic institutions that support the private, public, and civil-society sectors in a productive and balanced manner.'

   - IBON International's *People's Goals for Sustainable Development* (2012) suggest instituting measures for accountability and transparency in governance, with the help of access to information.

   - The Center for International Governance Innovation also proposes targets and indicators on transparency and accountability, alongside corruption, to measure its Goal 9 of 'empowering people to realize their civil and political rights.'

   - The UK, throughout High Level Panel discussions, have pushed a 'Golden Thread of Development' narrative that encompasses property rights, human rights, the rule of law, transparency, accountability in government, alongside a vibrant private sector, media and civil society.

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[7]A comprehensive online database containing all proposals on future goals to date: http://tracker.post2015.org/

3) **Capability:** The importance of the capacity of state institutions to good governance, and to development in general, is worryingly **absent from existing proposals**, although several proposals do discuss capacity issues as factors alongside accountability and inclusion, focusing mainly on strengthening the rule of law and reducing corruption. This highlights a **gap that could be of concern** to states for which institutional weakness poses a major barrier to development progress.

Challenges to be considered

What are the political challenges with including governance-related goals? Governance is one of the most politically challenging issues for the post-2015 development agenda. This area faces unique political challenges because it touches on countries' domestic affairs. There is likely to be resistance, therefore, from countries who are concerned to ensure that global agreements do not impinge upon the domestic political realm. This will be more important for some aspects of governance that others – for instance, there may be greater political support for more technical aspects of governance, such as strengthening state institutions (which fits well with the g7+ view of governance), than there will be for aspects like human rights.

> *Q. What are the most important aspects of governance to fragile and Pacific states that you would like to see reflected in the post-2015 agenda?*

> *Q. Are there any aspects of governance that you don't think are appropriate or acceptable to include in the post-2015 development agenda?*

Are there technical difficulties with measuring governance? While we might all recognise that governance issues impact in important ways on development prospects, there are also technical difficulties surrounding these issues that may make a goal problematic in practise. The OHCHR & UNDP highlight the need to "ensure that the [post-2015] framework is ambitious enough to inspire action but realistic enough not to cause despair, and be legitimate and mobilizing while at the same time sufficiently measurable."[8] While some aspects of governance are more easily measurable, for example transparency through countries signing up to Open Government standards, others are more difficult to measure. For instance, how does one measure whether a country's political settlement is inclusive? Proxies can be used, such as the number of women, ethnic minorities, etc. in Parliament, but these do not necessarily speak to broader issues of inclusion. Moreover, governance systems are often quite context/culture-specific, without a single blueprint, meaning any standard measure is likely to be contested.

> *Q. Is it possible to measure all the aspects of governance that you feel are most important? How would you measure them?*

What are the different options for including governance and statebuilding in the post-2015 framework? There are at least *two ways* in which governance could be included in the post-2015 development agenda:

1. Through a stand-alone 'headline' goal, or goals; or
2. Through the integration of governance and statebuilding into other goals as a cross-cutting issue, for example in the form of sub-indicators

A stand-alone goal will elevate the visibility of, and attention given to, governance issues, but it is also the option most likely to attract political resistance. The degree of political resistance encountered is likely to differ depending on whether post-2015 goals and targets are 'universal' (apply in the same way to all countries) or 'differentiated' (applying differently to different countries or groups of countries) and will be strongly influenced by how the post-2015 goals framework takes shape overall. [9]

> *Q. If you agree that governance issues should be included in the post-2015 development agenda, would you prefer to see a separate, stand-alone goal, or should governance issues be integrated as a cross-cutting theme into other goals (or both)?*

> *Q. How can fragile and Asia Pacific states most effectively influence negotiations on these issues?*

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[8] OHCHR/UNDP Expert Consultation, "Governance and human rights: Criteria and measurement proposals for a post-2015 development agenda" 13-14 November 2012, New York.

[9] Currently, debates on this issue centre on three main viewpoints on this issue:
   1. Every goal and target should be applicable to all countries;
   2. There should be global goals and indicators, but with national targets set by countries themselves
   3. There should be "common but differentiated responsibility", whereby countries have shared goals but different indicators and targets, allowing them to play different roles in development, based on their specific circumstances.