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**DAC Network on Governance**

**The OECD-DAC policy marker on Democratic and Inclusive Governance (DIG)**

**Handbook for data reporters and users**

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This handbook provides guidance for the policy marker on 'Democratic and Inclusive Governance', was approved by WP-STAT in November 2021, replacing the Participatory Development and Good Governance (PD/GG) policy marker.

The document incorporates comments received by members of GOVNET and WP-STAT.

It is circulated for INFORMATION.

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## Summary card – Democratic and inclusive governance (DIG) policy marker

<b>Definition</b>	<b>It is intended to enhance fundamental elements of democratic and inclusive governance across all areas of development co-operation.</b>
<b>Eligibility Criteria</b>	<p>(a) The objectives are explicitly promoted in activity documentation; and (b) The activity contains specific measures to promote one or several of the <b>governance</b> aspects defined as follows:</p> <p><b>- Participatory development</b> includes efforts to support inclusive participation and equal representation of citizens in decision-making processes as well as support to institutions to expand the coverage, quality and/or use of public goods and services. This includes, in particular, efforts to improve the participation of marginalised and vulnerable groups, in line with the principle of leaving no-one behind.</p> <p><b>- Democratisation</b>, includes support to promote horizontal and vertical accountability, comprising efforts to improve institutional checks and balances within the state, credible elections and support to elected bodies as well as and support to citizen engagement and media.</p> <p><b>- Good governance</b>, includes efforts to uphold a fair rule of law, improve transparency in the management of public affairs, and combat corruption and illicit financial flows.</p> <p><b>- Human rights</b>, includes measures that directly aim to better guarantee internationally agreed civil and political rights, including the right to security and peace, freedom of expression and freedom of assembly. Also covers human rights based programming approaches that aim to expand social services.</p>
<b>Scoring System</b>	<p>2 – Principal objective 1 – Significant objective 0 – Not targeted NULL – Not screened</p>
<b>Default Values</b>	There are no cases in which the marker is scored by default on the basis of the purpose code used.
<b>Flows</b>	ODA (flow type 10), Other Official Flows OOF (flow type 21) and philanthropic flows (flow type 30) could be reported with the marker.
<b>Development Co-operation Modalities (previously Types of Aid)</b>	All development co-operation activities can be marked, except for administrative costs (G01) and core contributions to multilateral institutions (B02).
<b>Reporters</b>	Reporting is mandatory for ODA activities from DAC members, voluntary in the other cases.

**Terminology**

In the OECD-DAC Statistical framework, and in this document, the term “governance-related activities” refers to activities that are identified with the policy marker on democratic and inclusive governance.

An activity is a data point reported to the CRS database. It could describe a programme, a project or part of a programme or project. This includes activities from bilateral, multilateral or philanthropic finance providers, as well as earmarked contributions to multilateral institutions.

Core contributions to multilateral institutions and administrative costs are excluded from marking.

## Background

The policy marker on democratic and inclusive governance is a statistical tool of the OECD Creditor Reporting System (CRS). The policy marker constitutes a revision of the former Participatory Democracy – Good Governance (PD/GG) policy marker, aiming to present an updated tool to track the mainstreaming of governance objectives across all sectors of development cooperation. The DAC Working Party on Development Finance Statistics (WP-STAT) approved the democratic and inclusive governance marker in 2021. It will enter into force in 2022 for the 2021 data collection<sup>1</sup>.

This handbook, prepared by the Secretariat in collaboration with the Governance Network, a subsidiary body of the OECD Development Assistance Committee (DAC), provides information for data reporters and users on how to mark correctly activities with the policy marker and how to better interpret the data. This handbook does not substitute the official reporting instructions contained in the Statistical Directives of the OECD-DAC CRS, which are available online<sup>2</sup>.

### 1. How do the OECD-DAC statistics track development finance in support of democratic and inclusive governance?

Democratic and inclusive governance promotes the sustainable development of just societies, supporting Agenda 2030. It captures both inclusive processes and inclusive outcomes, and covers a broad range of governance dimensions that are essential to pursue open, accountable and inclusive state-society relations with ODA. The OECD-DAC statistical system has three data fields to track the support provided to democratic and inclusive governance activities: the CRS purpose codes, the SDG focus field and the policy markers. These three fields are interrelated, each focusing on a different range of activities that support democratic and inclusive governance, as described below.

#### The CRS purpose codes

The CRS purpose codes constitute a sector classification specifically developed to categorise official development and emergency assistance (and by extension all development-related flows). The CRS purpose codes identify “which specific area of the recipient’s economic or social structure is the transfer intended to foster” and capture governance-specific activities in the government and civil society sector. The purpose codes starting with 151 (the sub-sector “Government and civil society”) are considered to directly support governance objectives, but given the cross-cutting nature of governance, activities in other sectors will also have components that pursue aspects of democratic and inclusive governance, which could not be tracked by sector codes alone.

#### The SDG focus field

Starting from 2019, reporters to the OECD CRS can assign the SDG focus of their development co-operation activities. The field responds to the question: “to which sustainable development goal or target does the activity aim to contribute directly?”. The SDG focus can be reported at the goal


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<sup>1</sup>See: DCD/DAC/STAT(2021)15/REV1 and DCD/DAC/STAT(2020)44/ADD2/FINAL (annex 19). The 2022 data collection on 2021 data is considered a transitional period.

<sup>2</sup>See: <http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/>

and/or at the target level. Up to ten concurrent goals or targets can be indicated. There is no ranking associated with the goals or targets identified.

The SDG which specifically targets democratic and inclusive governance is SDG16 to “Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels “, which has the following targets:

	<b>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</b>
16.1	Significantly reduce all forms of violence and related death rates everywhere
16.2	End abuse, exploitation, trafficking and all forms of violence against and torture of children
16.3	Promote the rule of law at the national and international levels and ensure equal access to justice for all
16.4	By 2030, significantly reduce illicit financial and arms flows, strengthen the recovery and return of stolen assets and combat all forms of organized crime
16.5	Substantially reduce corruption and bribery in all their forms
16.6	Develop effective, accountable and transparent institutions at all levels
16.7	Ensure responsive, inclusive, participatory and representative decision-making at all levels
16.8	Broaden and strengthen the participation of developing countries in the institutions of global governance
16.9	By 2030, provide legal identity for all, including birth registration
16.10	Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements
16.a	Strengthen relevant national institutions, including through international cooperation, for building capacity at all levels, in particular in developing countries, to prevent violence and combat terrorism and crime
16.b	Promote and enforce non-discriminatory laws and policies for sustainable development

The SDG alignment covers interventions that support institutional reforms to underpin sustainable development, promote just societies and efforts to improve social and economic inclusion.

Tracking democratic and inclusive governance-related development finance is possible through the SDG field, but not as precisely as with the OECD policy marker. Democratic and inclusive governance objectives can also be pursued with activities attributed to SDG 5 (gender equality),

SDG 8 (decent work and economic growth), SDG 10 (reduced inequalities), SDG 11 (sustainable cities and communities) and SDG 17 (partnerships for the goals)<sup>3</sup>.

## The OECD-DAC democratic and inclusive governance marker

The democratic and inclusive governance marker informs if, and to what extent, development co-operation activities pursue democratic and inclusive governance objectives. The marking is based on a scoring system to distinguish between activities that have inclusive governance as the principal objective (score 2) and activities that have it as a significant objective (score 1). The marker can be applied to activities in any sector (excluding administrative costs and core contributions to multilateral institutions). Each activity is a unique record in the database and it can provide information about a project or a programme (or part of a project or programme).

## 2. Definition and eligibility criteria

Activities marked with the democratic and inclusive governance marker should comply with the following definition and eligibility criteria.<sup>4</sup> The key terms used in the definition are explained in Table 2.

**Table 1 – Democratic and inclusive governance policy marker – definition and eligibility criteria**

<b>Definition</b>	<b>It is intended to enhance fundamental elements of democratic and inclusive governance across all areas of development co-operation.</b>
<b>Eligibility Criteria</b>	<p>(a) The objectives are explicitly promoted in activity documentation; and  (b) The activity contains specific measures to promote one or several of the governance aspects defined as follows:</p> <ul style="list-style-type: none"> <li>- <b>Participatory development</b> includes efforts to support inclusive participation and equal representation of citizens in decision-making processes as well as support to institutions to expand the coverage, quality and/or use of public goods and services. This includes, in particular, efforts to improve the participation of marginalised and vulnerable groups, in line with the principle of leaving no-one behind.</li> <li>- <b>Democratisation</b>, includes support to promote horizontal and vertical accountability, comprising efforts to improve institutional checks and balances within the state, credible elections and support to elected bodies as well as and support to citizen engagement and media.</li> <li>- <b>Good governance</b>, includes efforts to uphold a fair rule of law, improve transparency in the management of public affairs, and combat corruption and illicit financial flows.</li> <li>- <b>Human rights</b>, includes measures that directly aim to better guarantee internationally agreed civil and political rights, including the right to security and peace, freedom of expression and freedom of assembly. Also covers human rights based programming approaches that aim to expand social services.</li> </ul>

<sup>3</sup> See: SDG Handbook - DCD/DAC/STAT(2020)7/REV2

<sup>4</sup> See: DCD/DAC/STAT(2021)15/REV1



The marker's focus on "democratic and inclusive governance" does not mean that, in the area of human rights, the marker measures exclusively the promotion of political and civil rights or human rights based programming approaches that expand social services. The promotion of all human rights is within the definition of the marker.

**Table 2 – Describing democratic and inclusive governance**

<b>Democratic and inclusive governance</b>	Democratic and inclusive governance captures a broad range of governance dimensions that are essential to pursue open, accountable and inclusive state-society relations. It includes support to interventions that support institutional reforms to underpin sustainable, rights-based development, promote just societies and efforts to improve social and economic inclusion in terms of processes and outcomes.
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### 3. Scoring

The democratic and inclusive governance marker uses the same scoring methodology as the other policy and Rio markers in the CRS statistical framework, which is based on the following principles:

The scoring is based on three values (Table 3 and Figure 1):

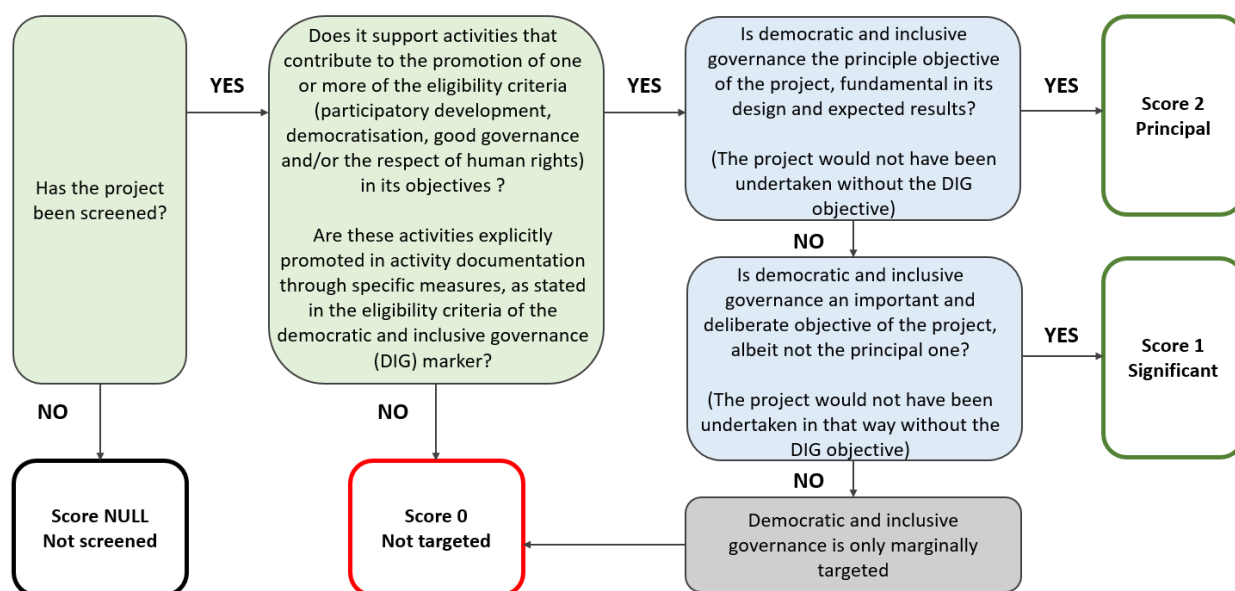
- **Score 2** - Promoting democratic and inclusive governance – in any of its aspects – is the **principal objective of the activity**;
- **Score 1** - Promoting democratic and inclusive governance – in any of its aspects – is a **significant objective of the activity**;
- **Score 0** - The activity is screened but **it does not target any aspect of democratic and inclusive governance**.
- Activities that have not been screened should be left blank (NULL) and not marked 0 by default.

Examples of scoring are provided in Annex I

**Table 3 – Scoring system of the OECD-DAC democratic and inclusive governance policy marker**

<b>Principal objective (score 2)</b>	Aspects of democratic and inclusive governance are the principal objective of the project and fundamental in the design and expected results. The activity would not have been undertaken without the governance objective. The entire project, in addition to other objectives, is designed with the principal intention to have a positive impact on the promotion of elements of democratic and inclusive governance.
<b>Significant objective (score 1)</b>	Democratic and inclusive governance is an important and deliberate objective, but not the principal reason for undertaking the project.  The governance objective must be <b>explicit</b> in the project documentation, i.e. it cannot be implicit or assumed. The project, in addition to other objectives, is designed to have a positive impact on advancing democratic and inclusive governance.
<b>Not targeted (score 0)</b>	The project has been screened against the marker but has not been found to target inclusive governance in any significant way.
<b>Not screened (score NULL)</b>	The project has not been screened. The field is left empty.

**Figure 1 – Democratic and inclusive governance policy marker decision tree**



The following considerations should also be taken into account while scoring the policy marker.

- **The scoring of the policy marker has a qualitative nature.**

It reflects the level of mainstreaming of democratic and inclusive governance in development co-operation activities. It does not represent an exact quantification of the financial support to democratic and inclusive governance. The data should be read as the number/volume (or share) of activities that have democratic and inclusive governance as a principal/significant objective, rather than the amount of financing devoted to it.

- **The scoring does not measure the impact of the activities.**

All other things being equal, the impact of an activity with a principal score (score 2) is not necessarily greater than the impact of an activity with a significant score (score 1). The OECD-DAC CRS statistical framework collects data on the “inputs” of development co-operation activities. The database is not linked to results frameworks, impact indicators or ex-post evaluations.

- **Data reporters should base their scoring decision on an assessment of the objectives of the activity, as described in the activity documentation.**

The democratic and inclusive governance objective should be clearly mentioned in the written documentation that forms the basis for the agreement to provide funding. The documentation could be the actual project or programme document, a proposal for funding an action which is outlined in a partner country document such as a national development strategy, sectoral strategy or local strategy, or other documents that provide sufficient level of detail to assess the objectives of the action. The democratic and inclusive governance objective should be explicit and deliberate in the project documentation, and not implicit or assumed, for both activities marked principal or significant.

- **The relation between the activity and the democratic and inclusive governance objective should be explicitly communicated in the activity descriptions reported to the CRS, in particular for the activities marked principal and the largest activities.**

The descriptive fields of the CRS (title, short and long description) are key transparency tools. They provide essential information to the public and enable the Secretariat to check the quality of reporting. While there might be administrative challenges when numerous activities of small monetary value are reported, data reporters should be able to mention the policy objective in the descriptive fields for the activities marked principal and for the largest activities.

## **Differences between the democratic and inclusive governance marker and the previous Participatory Development – Good Governance marker.**

Prior to the introduction of the OECD-DAC democratic and inclusive governance policy marker (DIG) in 2021, the OECD-DAC statistical system had a “Participatory Democracy / Good Governance” (PD/GG) marker, one of the first policy markers to be developed back in the mid 90’s. DIG is a follow-up and refinement of PD/GG. The main differences include a refinement of the definition and the fact that the DIG, contrary to the PD/GG, does not score “principal” by default a large number of purpose codes in the sector of Government and civil society (151XX codes) and Peace and Security (152XX codes). For that reason, 2021 data may present a break in the historical series with data from previous years.

## **Scoring by sector and SDG**

The purpose of this section is to help reporters to identify democratic and inclusive governance-related activities, taking into account the sectors and the SDGs already identified. Table 4 provides examples of possible linkages between democratic and inclusive governance and development co-operation activities in all sectors. Table 5 identifies linkages between the democratic and inclusive governance marker and

various SDG targets. Table 6 provides typical examples of activities that qualify and do not qualify to be scored against the DIG marker.

### *Examples by sector*

The examples provided in Table 4 are indicative, and not prescriptive or exhaustive. Identifying democratic and inclusive governance-related projects and the appropriate scores should always be based on the specific characteristics of each project as indicated in the written documentation.

**Table 4 – Examples of democratic and inclusive governance-related activities by sector**

<b>CRS DAC 5 code</b>	<b>CRS SECTOR</b>	<b>Rationale</b>
110	Education	Activities that increase the equitable access to education or aim at improving decision making and transparency within the education sector are eligible for the marker.
120	Health	Activities in the health sector that aim to improve the access to health care services and continue to deepen transparency and (local) accountability in service delivery.
140	Water Supply & Sanitation	Improving the transparency and accessibility of service delivery in the WASH sector, particularly for vulnerable groups of society.
150	Government & Civil society	Activities designed to improve the social accountability of governance, support the elected bodies or independent audit and anti-corruption entities, support to make the institutions of governance more effective at all levels, support to improve the transparency in the management of public resources, support to citizen or civil society initiatives to foster democratic and inclusive governance.
152	Conflict, Peace & Security	Activities that aim to strengthen the capacity of institutions to mitigate conflict, enhance the rule of law, support peace-building activities of governmental actors and civil society.
160	Other Social Infrastructure & Services	Activities that promote a more inclusive and effective labour market, increase the coverage of vocational education and training or enhance the effectiveness and accountability of labour market institutions.
210	Transport & Storage	Activities that aim to improve the management and transparency of infrastructure and entail elements of community participation may be scored under the marker.
220	Communications	Equipment and programmes that facilitate access to public interest media.
230	Energy	Improving the access to electricity and enhancing the oversight and transparency of the energy sector and its management.
310	Agriculture, Forestry, Fishing	Activities promoting transparent, rights-based and gender-sensitive land administration regimes or support to community-based natural resource management.
410	General Environment Protection	Activities related to the promotion of sustainable and equitable access to natural resources, activities that support community engagement in climate adaptation efforts.
510	General Budget Support	General budget support activities could be marked with the marker.
730	Reconstruction, Relief & Rehabilitation	Immediate post emergency relief can include activities that promote inclusive governance objectives.
740	Disaster Prevention & Preparedness	Activities on disaster prevention and preparedness can have objectives related to democratic and inclusive governance (e.g. community participation and consultation).
930	Refugees in Donor Countries	Activities that support refugees in donor countries could include the protection and promotion of human rights.

### *Interlinkages between the democratic and inclusive governance policy marker and the SDGs*

The democratic and inclusive governance marker aligns with SDG16 by covering interventions that support institutional reforms to underpin sustainable development, promote just societies and efforts to improve social and economic inclusion. The OECD recommends coherent reporting between the policy markers and the SDG values.<sup>5</sup> The correspondence between SDG16 and the policy marker is not automatic, but given the strong interlinkages, reporters should pay close attention when screening the democratic and inclusive governance marker for projects already identified as contributing to SDG16, and vice versa. Table 5 identifies other SDG focus fields that can provide a point of orientation when scoring projects under the new marker.

**Table 5 – Interlinkages between the SDG focus field and the inclusive governance policy marker**

IF a reported activity is	THEN
marked with a principal or significant democratic and inclusive governance objective	the activity is likely to have a focus on SDG target 16.1, 16.2, 16.3, 16.4, 16.5, 16.6, 16.7, 16.8, 16.9, 16.10, 16.a, 16.b
flagged with the SDG target 16.1, 16.2, 16.3, 16.4, 16.5, 16.6, 16.7, 16.8, 16.9, 16.10, 16.a, 16.b	the activity is likely to have democratic and inclusive governance objectives that could be identified for the policy marker as either principal or significant.
flagged with SDG 9 (goal level) or other SDGs and their targets (8.7, 8.8, 10.1, 10.2, 10.3, 10.4, 11.3, 17.1, 17.4, 17.5, 17.6, 17.7, 17.8, 17.9, 17.10, 17.11, 17.12, 17.13, 17.14, 17.15, 17.16, 17.17, 17.18, 17.19)	the activity can have democratic and inclusive governance objectives that can be identified with the marker.

**Table 6 – Examples of typical activities that qualify and do not qualify to be scored under the democratic and inclusive governance marker**

Type of Activity	Activities
Qualify	Support to improve citizen participation in governance processes.
	Support to promote equal access to all human rights.
	Support to improve the quality and integrity of electoral processes.
	Support to decentralisation processes.
	Civic education on social, economic and political rights.
	Building inclusive green cities.
	Empowering communities for climate resilience.

<sup>5</sup> See: DCD/DAC/STAT(2020)7/REV2

	<p>Programmes that promote anti-corruption measures.</p> <p>Support to education reform programmes that turn the sector more inclusive.</p> <p>Support to multi-actor dialogue processes in various sectors (trade, agriculture, water &amp; sanitation etc.).</p>
Do not qualify	<p>Construction of government buildings</p> <p>Technical feasibility studies or surveys</p>

#### 4. What does the democratic and inclusive governance policy marker show

##### What can the marker data tell us?

The marker is a qualitative tool to estimate the level of mainstreaming of democratic and inclusive governance in development co-operation activities. The total volume of activities marked significant (1) and principal (2) are counted as governance related. The democratic and inclusive governance policy marker is instrumental to:

- Identify individual activities in support of democratic and inclusive governance.
- Estimate the amount (or share) of development finance that has democratic and inclusive governance as a significant or principal objective.
- Assess the sectors and countries prioritised by democratic and inclusive governance-related aid.
- Identify overall trends and changes over time in democratic and inclusive governance-related aid.

##### What are the limitations of the marker?

- The democratic and inclusive governance policy marker cannot and does not intend to measure the outcome or impact of a project. Monitoring and evaluation instruments are required for this.
- The democratic and inclusive governance policy marker does not quantitatively estimate the amount of funding available to democratic and inclusive governance within a project. The statistical system does not collect information on the share of governance-focused activities or financial resources within a project. The summation of funding of projects that are marked 1 or 2 should not be used to represent the total funding going towards democratic and inclusive governance.

#### 5. Data presentation and visualisation

The OECD publishes policy marker data in a standardised fashion, to assure comparability with the data published for other markers, and over time. All data collected are available in the bulk downloads section of the CRS database.

Three standard data presentations / visualizations are suggested.

1. **Data coverage (DC)** identifies the share of activities that has been screened with the marker.

$DC = (\text{Sum of activities marked 0, 1 or 2}) / (\text{Sum of total bilateral ODA})$

Data coverage indicates the level of implementation of the marker by the data providers.

**2. Proportion of bilateral aid going towards democratic and inclusive governance-related activities (PoA) over total, by objective.**

$PoA = (\text{Sum of activities marked 1 or 2} / \text{total bilateral ODA activities})$

(Activities falling under administrative costs that are marked as a 1 or 2 on the marker constitute errors in the data and would therefore be recoded as null)

The volume of democratic and inclusive governance-related aid indicates the level of mainstreaming of democratic and inclusive governance objectives (principal and significant) into bilateral ODA activities.

**3. Volume of democratic and inclusive governance-related aid (or development finance) (VG)**

$VG \text{ (upper bound)} = \text{Sum of activities marked 2} + \text{Sum of activities marked 1}$

$VG \text{ (lower bound)} = \text{Sum of activities marked 2}$

The volume of democratic and inclusive governance-related aid represents the sum of the financial values of the activities marked principal or significant. These amounts do not represent an exact quantification of the financing to democratic and inclusive governance, rather they are the volume of ODA for which these objectives are mainstreamed. The “lower bound” represents the sum of the amounts of all activities having democratic and inclusive governance as the principal objective. The “upper bound” represents the sum of the amounts of all activities with a democratic and inclusive governance objective, whether principal or significant.

**Table 7 – Example: DAC donors, Participatory Democracy – Good Governance (PD/GG) policy marker, bilateral ODA, USD millions, disbursements 2019<sup>6</sup>**

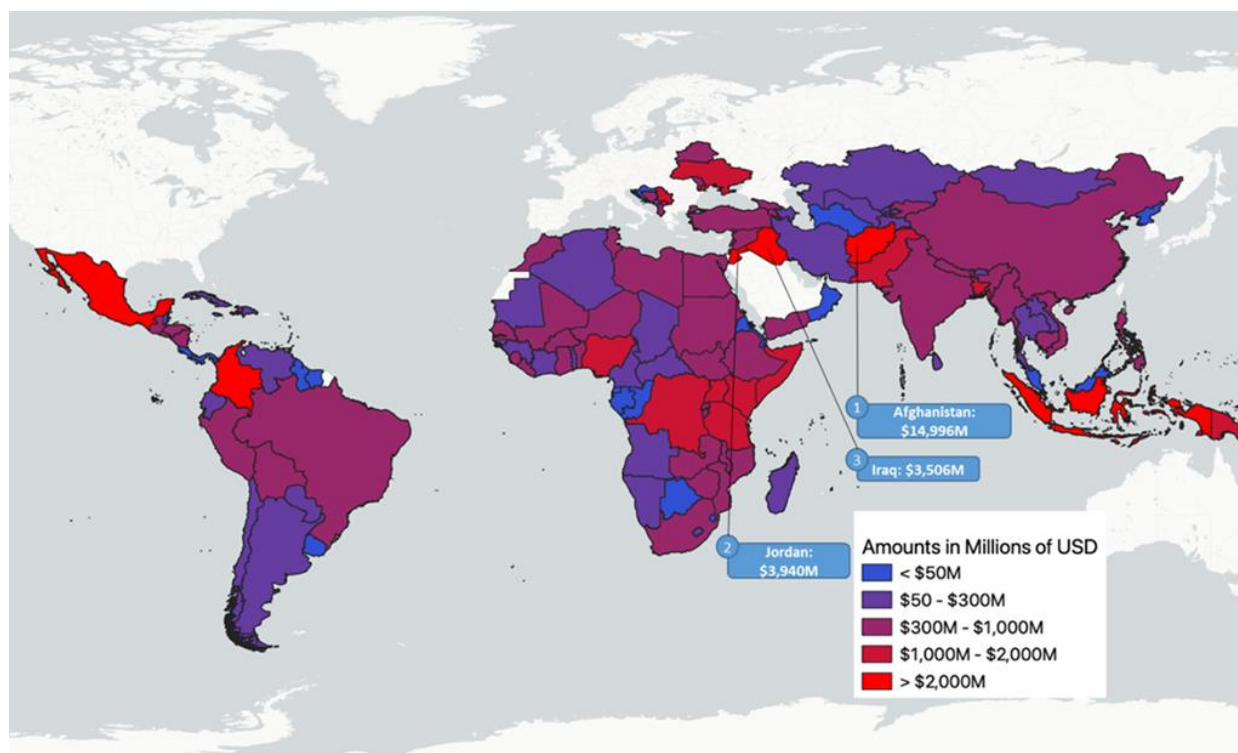
Score	0	1	2	NULL	Grand Total
USD millions	78 122	15 793	17 402	24 035	135 353
(DC) Data Coverage	$= (78\ 122 + 15\ 793 + 17\ 402) / 135\ 353 = 82\%$				
(PoA) Proportion of Governance-related ODA	$= (15\ 793 + 17\ 402) / 135\ 353 = 25\%$				
VG (Upper bound)	$= (15\ 793 + 17\ 402) = \text{USD } 33\ 195 \text{ m.}$				
VG (Lower bound)	$= \text{USD } 17\ 402 \text{ m.}$				

<sup>6</sup> This calculation includes administrative costs but excludes core contributions to multilateral institutions.

Figure 2<sup>7</sup> – Example: Top 10 recipients of ODA to governance in 2010, 2015 and 2019 (USD millions, 2019 constant prices)

2010		2015		2019	
Afghanistan	1416.3	Afghanistan	1487.4	Afghanistan	1335.0
Iraq	975.5	Colombia	278.8	Jordan	857.3
West Bank and Gaza Strip	332.4	Mexico	252.5	Ukraine	305.1
Sudan	265.7	Pakistan	244.2	Colombia	255.0
Pakistan	215.2	West Bank and Gaza Strip	209.7	Tunisia	241.2
Mexico	211.3	Kosovo	207.3	West Bank and Gaza Strip	240.0
Tanzania	189.0	Ukraine	198.8	Uzbekistan	187.6
Solomon Islands	183.9	Indonesia	186.7	Serbia	177.1
Indonesia	131.5	Papua New Guinea	150.0	Iraq	175.8
Colombia	130.5	Haiti	149.7	Pakistan	157.9

Figure 3<sup>8</sup> – Map of ODA for governance received by recipients over the total 2010-2019 period in USD Millions



<sup>7</sup> DCD/DAC/GOVNET(2021)5

<sup>8</sup> Ibid.



## 6. Implementation best practices

To strengthen the accuracy and comparability of the data between reporters, some best practices are recommended.

### 1. Apply the marker from the early phases of project design.

The democratic and inclusive governance policy marker could have a strong impact when used as a “live tool” to spark discussions about the integration of democratic and inclusive governance objectives in the early stages of the project appraisal and design, when substantial amendments are still possible.

### 2. Assign responsibility for applying the marker to project managers/officers

As the marking must reflect the project’s overall intentions, responsibility for applying the marker should sit with project managers/officers who have a good understanding of the project. Ideally, the marker should be applied in consultation with governance experts, and with verification from the statistical/quality control unit.

### 3. Invest in staff capacity to apply the marker correctly

It could be useful to invest in capacity building for staff members who have responsibility for reporting the activities, to ensure that the marker is applied correctly.

Options to support the coding process include:

- a) Dedicated staff trainings on how to use the inclusive governance policy marker, for example: practical exercises on how to code projects based on concrete case studies are often seen as the most useful activity;
- b) Developing internal guidance material on the marker and providing technical support (e.g. to conduct governance analyses) within agencies to support the consistency of coding;
- c) Encouraging reporters to share existing material and tools for capacity-building and training activities with project officers in charge of the marking;
- d) Setting up a helpdesk/nominating a contact point to support the officers responsible for the marking.

### 4. Establish strong internal quality control mechanisms

The reporters are responsible for putting in place quality assurance and control mechanisms to guarantee the accuracy of the application of the marker and the data that they report to the CRS. The Secretariat is not able to conduct in-depth checks for each reporter and does not have access to sufficient qualitative information to review the marking of each project.

- a) Reporters should introduce regular checks to review the marking of the data before submission.
- b) Recommendations to strengthen internal quality assurance include:
  - (i) Conducting a systematic check of the marker score (for instance by the operational or geographic division) before the approval of the project.
  - (ii) Developing a quality assurance plan to support consistent and robust reporting.

## Annex 1 – Project examples

### **Project Example 1:** Promotion of good governance to strengthen integrity and accountability in Kenya 2015-2016

**Project description<sup>9</sup>:** the objective of the programme implemented by GIZ in Kenya is: corruption and abuse of power within public administration are combatted more effectively by state and non-state actors. In order to achieve this goal, the programme pursues the strategic approach of supporting the entire chain of actors – ranging from prevention to detection and investigation of corruption to prosecution – both to strengthen the capacity of actors as well as to improve coordination and cooperation. This also includes cooperation with civil society and the private sector.

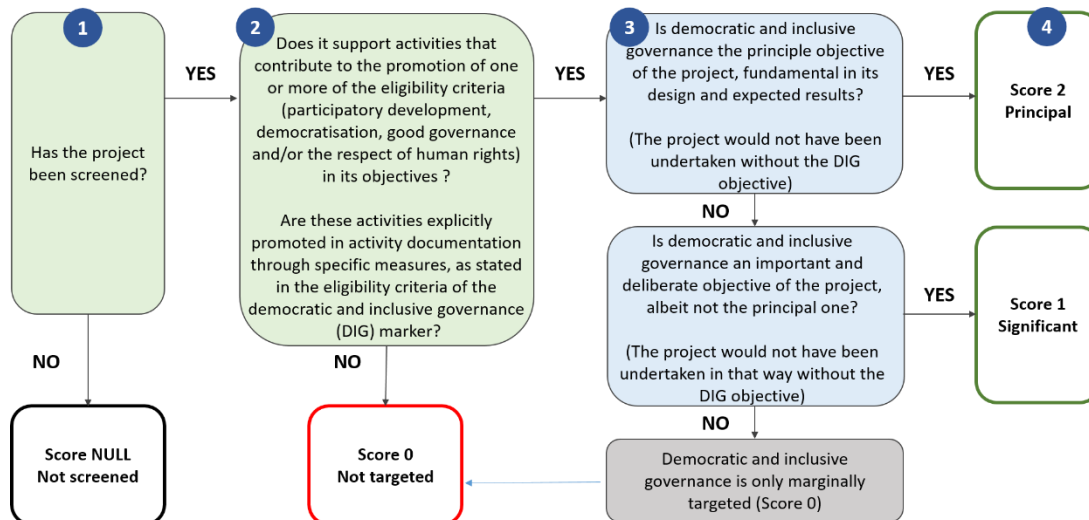
**Project activities include:** The project operates in 8 intervention areas:

1. strengthening mechanisms for the prevention of corruption and abuse of power;
2. strengthening capacities for detection and investigation of cases of corruption and abuse of power;
3. increasing the ratio of compliance with recommendations of oversight institutions in selected counties and sectors;
4. improving mechanisms for non-judicial redress for corruption and abuse of power;
5. empowering citizens through enhanced non-state actor interventions to fight corruption and abuse of power;
6. strengthening capacities of prosecution and adjudication of cases of corruption;
7. developing an operational framework for Asset Tracing and Recovery for corruption proceeds and
8. improving the coordination of anti-corruption initiatives.

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<sup>9</sup> ‘Promotion of Good Governance to Strengthen Integrity and Accountability in Kenya 2015-2016’, [https://um.fi/latest-funding-decisions/-/asset\\_publisher/SYmYYmTYh0sD/ahaKytInterventionType/id/1175569](https://um.fi/latest-funding-decisions/-/asset_publisher/SYmYYmTYh0sD/ahaKytInterventionType/id/1175569)

### Steps to evaluate the project for the democratic and inclusive governance marker:



1. **Yes**, the project has been screened. The project is reported 50% under anti-corruption organisations and institutions and 50% under public sector policy and administrative management.
2. **Yes**, the project supports activities that contribute to the promotion of participatory development, democratisation, good governance and the respect of human rights.
3. **Yes**, the project specifically supports democratic and inclusive governance as its principle objective that is fundamental in its design and expected results. Specifically, the project supports the objective of good governance as defined below:

***Good governance:** good governance, including efforts to uphold a fair rule of law, improve transparency in the management of public affairs, and **combat corruption** and illicit financial flows*

4. **Yes**, democratic and inclusive governance is the principal objective of the project → **Score 2 Principal**.

**Project Example 2: Ethiopia Protection of Basic Services Program Phase II Project**

**Project description<sup>10</sup>:** the objective of the Second Phase of the Protection of Basic Services Program Project (PBSII) is to contribute to expanding access and improving the quality of basic services in education, health, agriculture, water supply and sanitation, and rural roads delivered by subnational governments in Ethiopia, while continuing to deepen transparency and local accountability in service delivery.

**Project activities include<sup>11</sup>:**

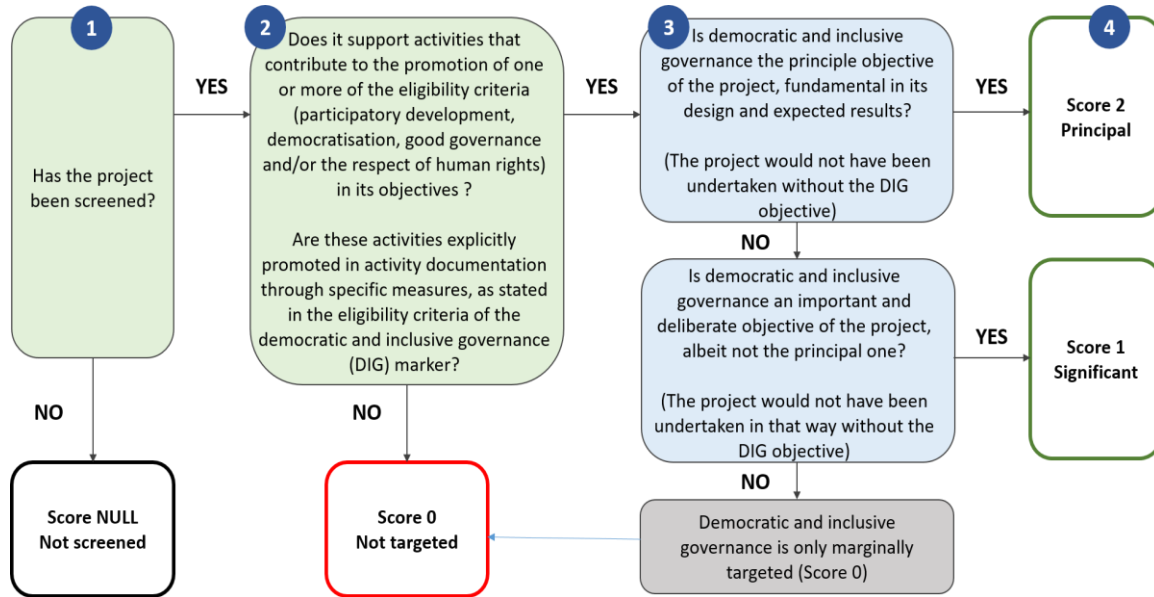
1. Subprogram A on Support to Delivery of Basic Services will support the decentralized delivery of basic services by sub-national governments in five sectors (education, health, agriculture and natural resources, water supply and sanitation, and rural roads).
2. Subprogram B on Health Millennium Development Goals (MDGs) Support Facility will finance Ethiopia's health sector strategy by providing flexible funding for priority activities procurement and distribution of critical health commodities; and health system strengthening to support the accelerated attainment of health-related MDGs.
3. Subprogram C on Transparency and Accountability includes two parts. Part C1 will finance a core group of three fiduciary strengthening activities; and finance innovations and the roll-out of Financial and Transparency and Accountability (FTA) initiatives. Part C2 will support the roll-out of successful social accountability activities and enhance and institutionalize capacity building for social accountability.
4. Subprogram D on Monitoring and Evaluation (M&E) will support the strengthening of existing national and sectoral M&E systems and M&E assessments to be implemented by lead government agencies.

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<sup>10</sup> Project description section of the OECD Credit Reporting System for the specific project.

<sup>11</sup> *Ibid.*

## Steps to evaluate the project for the democratic and inclusive governance marker<sup>12</sup>:



1. Yes, the project has been screened.
2. Yes, the project supports activities that contribute to the promotion of participatory development, democratisation, good governance and the respect of human rights.
3. Yes, the project specifically supports democratic and inclusive governance as its principle objective that is fundamental in its design and expected results. Specifically, the project supports the objective of participatory development as defined below:

**Participatory development:** *participatory development including efforts to support broad inclusion and representation of citizens in decision-making processes as well as support to institutions to expand the coverage and/or quality of public goods and services*

**Project objective:** the development objective of the Ethiopia Protection of Basic Services Program Phase II project (PBS II) is to contribute to expanding access and improving the quality of basic services in education, health, agriculture, water supply and sanitation, and rural roads delivered by sub-national governments while continuing to **deepen transparency and local accountability in service delivery.**

### Relevant democratic and inclusive governance marker indicators:

- Citizens who report that they have knowledge about the *Woreda*<sup>13</sup> budget (%)
- Citizens who report that *Woreda* officials have actively sought the views of people in their *Kebele*<sup>14</sup> on the quality of basic services (%)

4. Yes, democratic and inclusive governance is the principal objective of the project → **Score 2 Principal.**

<sup>12</sup> 'Implementation Status & Results', <https://documents1.worldbank.org/curated/en/424101468749736296/text/P1030220ISR0Di014201101300159196507.txt>

<sup>13</sup> *Woreda* is a sub-national administrative unit in Ethiopia corresponding to a district.

<sup>14</sup> *Kebele* is a sub-national administrative unit in Ethiopia corresponding to a ward.

**Project Example 3: Weoog Paani pro-poor forestry in Burkina Faso 2019-2023 - GLRF pro-poor forestry in Burkina Faso 2019-2024**

**Project description<sup>15</sup>:** The project GLRF (Gestion Locale des Ressources Forestières/Local forest management) in Burkina Faso aims at implementing a large scale (25 rural communes) local forest management model that the non-governmental organization Tree Aid has developed and tested in 8 rural communes in Burkina Faso. The project particularly focuses on women and youth, capacity building of local groups, small businesses and representatives of communes and government services which constitute an important part of the project. The government takes responsibility for the project through the Ministry of Environment's chairmanship of the project steering committee and by the role of its extension services at regional and local level. The project is implemented by a consortium of three organizations:

1. Tree Aid - an international non-profit NGO
2. SNV - an international NGO with broad experience in Africa of private sector & value chain development in agriculture
3. The United Nations Capital Development Fund (UNCDF)

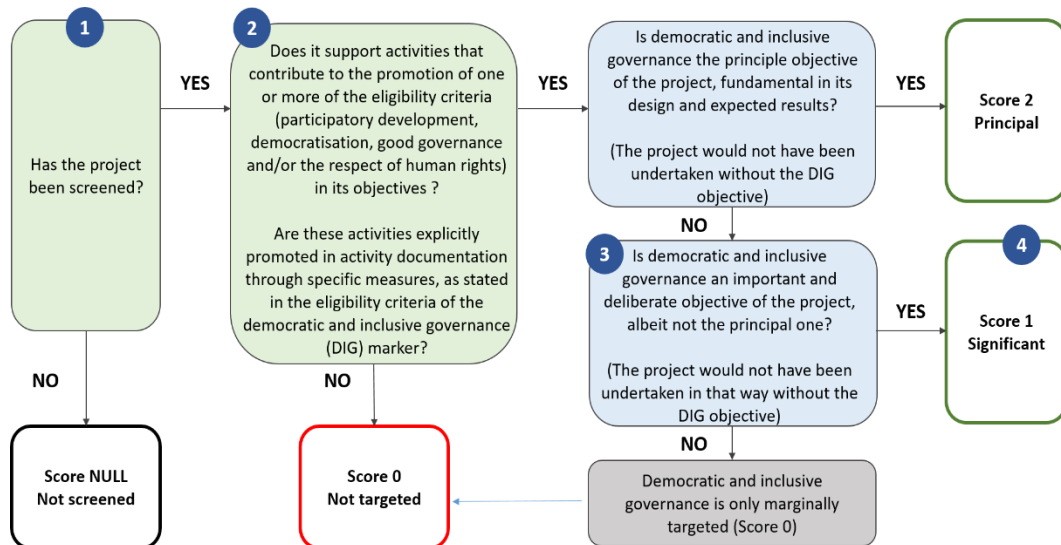
**Project activities include:**

1. Mapping of resources through forest inventories and land maps
2. Socio-economic surveys
3. Preparation of forest management plans together with local stakeholders (NGO, community organizations, local small enterprises, commune representatives etc)
4. Forest regeneration and improved forest production together with village organisations, forest extension services and forest researchers
5. Establishment of micro water dams in the forests in order to increase CO2 sequestration, increase biological diversity and increase forest production
6. Market studies to identify value chains with economic potential and relevance for vulnerable households
7. Strengthening of value chains (production - processing - marketing)
8. Support to local small enterprises on promotion of sustainable micro finance solutions

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<sup>15</sup> Project description section of the OECD Credit Reporting System for the specific project.

### Steps to evaluate the project for the democratic and inclusive governance marker<sup>16,17</sup>:



1. **Yes**, the project has been screened.
2. **Yes**, the project supports activities that contribute to the promotion of participatory development, democratisation, good governance and the respect of human rights.
3. **Yes**, the project specifically supports democratic and inclusive governance as an important and deliberate objective albeit not the principle one. Specifically, the project supports the objective of participatory development as defined below:

**Participatory development:** *participatory development including efforts to support broad inclusion and representation of citizens in decision-making processes as well as support to institutions to expand the coverage and/or quality of public goods and services.*

**Project objective:** improvement of the living conditions of the local population in the project area through **promotion of good local governance of forests**, investments in forests and marketing of non-timber forest products (NTFPs) while striving to contribute to the achievement of the Sustainable Development Goals (SDGs)

#### Relevant democratic and inclusive governance marker objectives:

- Promote an enabling environment for local governance of forest resources in 25 municipalities in 5 regions

#### Relevant democratic and inclusive governance marker indicators:

- Support to set-up of small village forest enterprises and support to 35 of these
- Support to an overall organisation of NTFP producers (20 meetings)

4. **Yes**, democratic and inclusive governance is a significant objective of the project → **Score 1 Significant**.

<sup>16</sup> ‘Weoog Paani “New forest” in Burkina Faso 2019-2024’, <https://openaid.se/en/activities/SE-0-SE-6-11847A0101-BFA-31220>

<sup>17</sup> ‘Grant Agreement between The Swedish International Development Cooperation Agency, Sida and Tree Aid regarding Gouvernance Locale des Ressources Forestieres (GLRF) in Burkina Faso’, <https://documents.iati.openaid.se/document/burkina-faso/11847-glrf-agreement-signed-20190614.pdf>