

# Summary sheet EC approach: Analysing Sector Governance

**Source:** European Centre for Development Policy Management and Boesen, N., 2008, 'Analysing Sector Governance', Section 4 in 'Analysing and Addressing Governance in Sector Operations', Office for Official Publications of the European Communities, Luxembourg

<http://www.gsdr.org/go/display&type=Document&id=3183>

## Summary

How can political and institutional constraints be addressed so as to improve the effectiveness of aid at sector level? This section from a European Commission publication offers a framework for analysing sector governance. The framework focuses on the context of sector governance, actors' interests, power and incentives, and governance and accountability relationships. Where opportunities for short-term governance enhancement at sector level are limited, sector specialists can look for alternative entry points. These might include supporting the private sector and civil society.

Sector programmes sometimes 'come up against a brick wall' because the governance environment is not conducive to them, and governance is becoming a key issue. Sector governance will be most effective for sector development when there is: an effective supply of governance; a demand for accountability from non-state actors and 'checks and balances' organisations mediated through the political system; and a corresponding supply of accountability from core agencies and frontline service providers. In practice, the actual demand for and supply of accountability may differ – accountability to citizens may not exist, or be limited to small elite groups, for example. Donors play an ambiguous role on both the demand and supply side.

The sector governance analysis framework identifies six clusters of actors, (non-state actors, political system/government, frontline service providers, 'checks and balances' organisations, core public agencies and international actors), linked to each other by governance and accountability relationships. The framework focuses on three dimensions:

- *Context:* How does the wider governance framework in a society set the stage for the specific governance in sectors? How is the overall public sector governance set up? How does the local, regional and global context influence domestic sector governance?
- *Actors:* Who are the key players in governance at sector level? What are their interests in maintaining the governance status quo, or in change?
- *Governance and accountability relations:* What are the characteristics of governance relations between actors in the sector? Are formal or informal mechanisms dominant? How transparent are governance relations? Who is linked to whom, who has fought with whom, and by what means?

The three dimensions can be applied as sequential steps in the governance analysis process. These can then be brought together in a summary matrix to provide an overview. Factors to consider in each dimension include the following:

- *Analysing the context of sector governance:* how performance in a given sector is influenced by the degree of political attention the sector receives; the strength and independence of the judiciary; civil servants' pay and employment conditions; public financial management capacity; the level of decentralisation pursued by the country; and the sustainability of isolated sector reforms within an unchanged institutional environment.
- *Mapping the actors:* whether the actor plays a governance or accountability role, or a mixture of both; the mix of formal and informal objectives pursued; power and resources; and connections and allegiances.

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- *Analysing governance and accountability relations:* the relative strength and importance of hierarchical, patrimonial, market and voluntary network governance mechanisms; and the responsiveness of governance.
- *Summing up – analysing readiness for governance reform:* key features; key strengths and weaknesses; and major trends.