



FEATURE

## THE AFRICAN PEER REVIEW MECHANISM

### *Process and procedures*

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UNITED NATIONS ECONOMIC COMMISSION FOR AFRICA

The African Peer Review Mechanism (APRM) is perhaps the most innovative aspect of the New Partnership for Africa's Development (NEPAD). For the APRM to serve its full potential, it is important that the application of the peer review process meet the criteria of credibility, integrity and professionalism. This paper sets out clarifications by the United Nations Economic Commission for Africa (UNECA) on the nature and content of the APRM process. However, we first offer a brief summary of the concept and international experience related to peer reviews as best practice for the APRM.

#### **Concept and international experience**

Peer review refers to the systematic examination and assessment of the performance of a state by other states (peers), by designated institutions, or by a combination of states and designated institutions. The ultimate goal is to help the reviewed state improve its policy making; adopt best practices; and comply with established standards, principles, codes and other agreed commitments. Peer review examinations and assessments are conducted in a non-adversarial manner, and they rely heavily on the mutual trust and

understanding between the state being reviewed and the reviewers, as well as their shared confidence in the process.

Peer reviews can be conducted based on subject areas or themes. For example, an individual country peer review could relate to economics, governance, education, health, the environment or other policies and practices. Within one or more of these subject areas, a state may be examined against a wide range of codes and standards for compliance, for example. Similarly, several countries can be examined at the same time with respect to a particular theme. However, whether based on subject areas or

themes, individual country peer reviews are typically undertaken on a regular basis with each review exercise resulting in a report that assesses accomplishments, indicates shortcomings and makes recommendations. They never imply a punitive decision, sanctions, or any form of legally binding acts or enforcement mechanisms.

Nonetheless, related to the concept of peer review is the concept of peer pressure. Indeed, the effectiveness of peer review relies on the influence of peer pressure—that is, the persuasion exercised by the peers. The peer review process can give rise to peer pressure through, for example: a mix of formal recommendations and informal dialogue by the peer countries; public scrutiny, comparisons and ranking among countries; and the impact of the foregoing on domestic public opinion, policy makers, and other stakeholders. Lessons from peer reviews done elsewhere suggest that the greatest impact is derived when the outcomes of peer reviews are made available to the public. When the media is provided with information on peer reviews, the story can then be mass distributed to the public. It is that public scrutiny that is most likely to coerce change and corrective actions.

While several international organisations including UN bodies and the International Monetary Fund (IMF) conduct peer reviews, the most notable experience with peer reviews can be found at the Organisation for Economic Co-operation and Development (OECD). The OECD has used this method of assessment since its creation four decades ago. Within that organisation, peer reviews are undertaken in several substantive areas and the performance of the reviewed state can be assessed against principles, criteria and standards. They may include:

- *Policy recommendations and guidelines.* The assessment of the performance of a country in its implementation of policy recommendations and guidelines. This is the most common form of peer review and can also include an examination of the consistency and coherence with respect to the country's own policies. It is undertaken in such areas as economic

policy, education, environment, energy and development assistance.

- *Specific indicators and benchmarks.* Indicators and benchmarks provide specific and numerical targets to achieve. They are used in, for example, environmental performance reviews and development assistance reviews.
- *Legally binding principles.* Peer review can also be a mechanism for monitoring compliance with international norms such as the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

Although each peer review in the OECD has its own procedure, it is possible to identify a common pattern among them. This comprises three stages:

- *The preparatory stage.* The first stage of the review consists of background analysis and of some form of self-evaluation by the country under review. During this stage a questionnaire is sent to the country for responses by the competent authorities or as an agenda for dialogue in the next stage.
- *The consultation stage.* The examiners and the OECD Secretariat conduct the consultation with a division of responsibility which depends on usual practice and the topic under review. This stage entails a visit to the country under review for consultations with the competent authorities. The examiners and Secretariat staff are also free to consult with interest groups, civil society, and academics. At the end of this phase, the OECD Secretariat prepares a draft report. The Secretariat may share the report in draft with the examiners and with the reviewed country and make adjustments it considers justified before the draft is submitted to the members of the body responsible for the review.
- *The assessment stage.* In this final stage, the draft report is discussed in the plenary meeting of the body responsible for the review. The examiners lead the discussion, but the entire body is encouraged to participate. Following discussions among members of the body,

including the reviewed state, the final report is adopted by the whole body. In some cases non-governmental organisations (NGOs) may be given an opportunity to influence the discussion by submitting papers and documents. Often, the final report is followed by a press release, which summarises the main issues for the media. Other press events and briefings may also be held to publicise the findings of the report.

Based on the experience of the OECD and other international organisations, we can conclude that the effectiveness of peer reviews depends upon a combination of a number of factors:

- *Value sharing.* There must be convergence among the participating countries on the standards or criteria against which to evaluate performance. Specificity is required to prevent uncertainty or backtracking during the process.
- *Adequate level of commitment.* Peer review can function properly only if there is an adequate level of commitment by the participating countries in terms of both human and financial resources.
- *Mutual trust.* Given the co-operative and non-adversarial nature of the peer review process, mutual trust is an important basis for its success. This will facilitate, among other things, the disclosure of data, information and documentation that are essential to the process.
- *Credibility.* The credibility of the peer review process is essential for its effectiveness. To ensure credibility, the reviewer organisation must guarantee independence, transparency and quality of work. Credibility can be undermined if the process is flawed by such factors as unqualified examiners, bias stemming from national interests, inadequate standards or criteria against which to undertake the review, or attempts by the reviewed state to unduly influence the final outcome.

Following on the international experience with peer reviews—and taking into consideration the African landscape of diversity of countries and the significance of

African ownership in the New Partnership for Africa's Development (NEPAD) framework—we outline below the process and procedures for the African Peer Review Mechanism (APRM). In that context, we have also developed a set of core indicators for tracking progress through the APRM and these are set out in the United Nations Economic Commission for Africa (UNECA) paper entitled 'The African Peer Review Mechanism: Core indicators for tracking progress'.

### **Purpose, principles and participation in the APRM**

The mandate of the APRM is to ensure that the policies and practices of participating states conform to the agreed political, economic and corporate governance codes and standards contained in the Declaration on democracy, political, economic and corporate governance that was approved by the African Union (AU) Summit in July 2002. The APRM is a mutually agreed instrument for self-monitoring by the participating member governments.

The primary purpose of the APRM is to foster the adoption of policies, standards and practices that lead to political stability, high economic growth, sustainable development and accelerated integration through the sharing of experiences and the reinforcement of successful and best practice, including identifying deficiencies and assessing the needs for capacity building.

Every peer review exercise carried out under the authority of the mechanism must be technically competent and free of political manipulation. It must also comply with the mandate of the APRM referred to above. These stipulations together constitute the core guiding principles of the mechanism.

Participation in the APRM process will be open to all member states of the AU. Countries wishing to participate in the APRM will notify the chairperson of the Heads of State and Government Implementation Committee (HSGIC). This

will automatically entail an undertaking to submit to periodic peer reviews, as well as to facilitate such reviews with logistical and other support, and to be guided by agreed parameters for good political governance and good economic and corporate governance.

An Independent Panel of Eminent Persons (IPEP) will be established. It shall comprise five to seven members. There shall be at least one member from each of the AU sub-regions. All members shall be appointed by the HSGIC including the chairperson and vice chairperson who shall be selected from among the members. The presence of five members shall constitute a quorum, and the vice chairperson will act as the chairperson in the absence of the latter. The composition and functions of the IPEP are set out later in this paper.

The NEPAD Secretariat will be the Coordinating Secretariat for the peer review process. As such, it shall be responsible for, among other things, providing secretarial and technical support to the IPEP and the Implementation Committee.

Given the context outlined above, UNECA sees its role in the APRM process as comprising the following key elements:

- The UNECA will lead the further development of the APRM process, including the provision of technical backstopping for the peer reviews.
- The UNECA will conduct the economic management and governance peer reviews.
- In addition to UNECA experts, representatives from two African countries will also be members of the peer review teams. The African Development Bank (AfDB) will also be invited to cover banking and financial standards.
- Prior to the actual peer review, UNECA experts will visit the country to be peer reviewed for consultations with government representatives on the scope and content of the peer review.
- In order to test the approach and kick-start the process, UNECA will conduct pilot consultations in two or three countries over the next few months.

- On the basis of these consultations, UNECA will prepare the Initiating Memorandum (see Annex I) on a country by country basis.
- The UNECA will be responsible for preparing the findings and recommendations of the peer review.

### Stages of the APRM process

There shall be five stages to the APRM process. Stage One will entail a careful analysis of the governance and development environment in the country being reviewed. This analysis will draw heavily on the UNECA Governance Project, which would have covered 20 to 25 countries by December 2002. That project aims at defining and measuring governance on the African continent through a number of country studies, each of which will provide more than 80 indicators on the nature and quality of governance. These indicators will provide background on the key governance and development issues in the following areas:

- *Political representativeness and rights.* To cover issues of political systems and electoral processes, representation and participation of various stakeholders in decision making.
- *Institutional effectiveness.* Including issues related to the nature and workings of the legislature, judiciary and executive branches of government, as well as the state of the non-governmental sector.
- *Economic management and governance.* Addressing issues of macroeconomic management, public financial accountability, monetary and financial transparency, accounting and auditing systems, and regulatory oversight bodies, as well as issues of capacity, effectiveness, and accountability of the economic decision making and service delivery systems and processes.

A critical element of the UNECA Governance Project, and one which will be used to inform the APRM process, is the country consultation. Those consultations entail the seeking of advice through national

steering committees and the dissemination of findings through workshops. They provide for wide-ranging interaction and buy-in by a large number of stakeholders including civil society organisations. Together with the findings of the Governance Project, the consultations will identify those key issues in political governance (peace and security, human rights, electoral participation, etc.) that should be examined in the peer review process.

Stage Two will constitute the country visits by peer review mission teams. This stage will be informed by the analysis prepared in Stage One and the work of the missions will be conditioned by the contents of the respective Initiating Memoranda, as set out in Annex I.

There shall be two tracks to Stage Two. One track will be concerned with the political governance issues identified through the country consultations and country governance reports as described in Stage One. The IPEP will select and appoint appropriate institutions or individuals to conduct the political governance peer reviews based on those identified issues.

The second track will cover the economic and corporate governance issues. These peer reviews will be conducted by the UNECA in conjunction with the AfDB. The former will be responsible for all of the standard set of issues pertaining to economic management and governance, while the latter will have responsibility for matters on banking and financial standards. The mission will be led by UNECA experts and will also include representatives from two African countries.

Mission teams will consult and extensively interview relevant government officials, parliamentarians, opposition party members not in parliament, private sector representatives, representatives of civil society groups (including the media, academia, trade unions, NGOs) and officials of resident missions of regional and international organisations.

Stage Three involves the preparation of mission findings of the peer review. A draft of each report will be discussed with the government concerned, prior to submission

to the IPEP. Those discussions will be designed to ensure the accuracy of the information and to provide the government an opportunity to react to a mission's findings and to provide its own views on how the identified shortcomings may be addressed. These responses of the government will be appended to the final draft of the report. However, each mission report will remain independent and its findings will not be altered or vetted by the government concerned.

Stage Four entails discussion and adoption of the peer review reports by the NEPAD structures. Each report will be submitted through the NEPAD/APRM Secretariat for consideration and adoption by the IPEP and, ultimately, by the HSGIC. It is also recommended that the reports be considered by a technical committee comprising the IPEP and senior officials of countries that have agreed to be peer reviewed so as to reinforce the mutual learning and adoption of best practices aspects of the APRM process.

Stage Five will entail the formal and public tabling of the APRM reports in key regional and sub-regional structures and, in particular, the AU structures.

## **Composition and functions of the Independent Panel of Eminent Persons**

### *Composition of the panel*

The IPEP shall comprise Africans who have distinguished themselves in careers and service that are considered relevant to the APRM process. Members should be selected with a view to ensuring their independence, a sufficiently diverse background and gender balance, and a wide spectrum of appropriate experience.

Once appointed, members of the IPEP shall serve in their individual capacities and not as country or sub-regional representatives, nor as representatives of any organisation. They shall not seek or receive instructions from any government or be influenced by any other authority external to the NEPAD/APRM Secretariat with regard to peer review matters under their consideration.

### *Functions of the panel*

The IPEP shall be tasked:

- to exercise oversight with respect to the APRM process with a view to ensuring the independence, professionalism and credibility of that process;
- to select and appoint appropriate institutions or individuals to conduct political governance peer reviews;
- to meet periodically to review and make objective assessments of peer review reports submitted to it by the NEPAD/APRM Secretariat;
- to consider and approve recommendations contained in the peer review reports submitted to it by the NEPAD/APRM Secretariat; and
- through the NEPAD/APRM Secretariat, to transmit to the HSGIC all peer review reports considered and adopted and the recommendations agreed to.

### **Frequency of peer reviews**

Peer reviews will be conducted within the timeframes as approved by the 2002 AU Summit. Specifically, there will be four types of reviews:

- The first country review being the base review to be undertaken within 18 months of a country becoming a member of the APRM.
- Then there is a periodic review that takes place every two years.
- In addition to these, a member country can, for its own reasons, ask for a review that is not part of the periodically mandated reviews.
- Early signs of impending political and economic crises in a member country would also be sufficient cause for instituting a review.

We recommend, however, that some flexibility is needed to accommodate special circumstances, for instance, where the timing of a peer review would create difficulties given the electoral cycle in the country concerned, but also to allow for early reviews in the case of serious emerging political and/or economic problems in a member country.

Furthermore, to maintain an efficient scheduling of peer reviews, the authorities of a country to be peer reviewed should make every effort to provide written responses to the questionnaires as well as other relevant background information to the reviewer institution prior to the start of the peer review mission.

### **Role of the Implementation Committee**

The HSGIC has ultimate responsibility for oversight of the APRM and for applying the peer pressure required to make this voluntary peer review process effective, credible and acceptable by both Africans and the international community. In addition to its current mandate and responsibilities, the HSGIC shall:

- appoint members of the IPEP and its chairperson;
- consider, adopt and take ownership of peer review reports submitted by the IPEP;
- exercise peer pressure to effect changes in country practice where recommended;
- influence development partners to support the recommendations contained in peer review reports by providing suggested technical and other assistance;
- transmit peer review reports to the appropriate AU structures in a timely manner; and
- make public, through the NEPAD/APRM Secretariat, peer review reports and press releases pertaining thereto.

### **Conclusion**

This paper has provided some clarity on the nature and content of the APRM process and the procedures involved for its implementation. As stated at the beginning, the APRM is perhaps the most innovative aspect of NEPAD. It is an idea whose time has come. Participation in the APRM is voluntary and it is conducted in a non-adversarial manner. It is not an unwanted or unwarranted intrusion in how countries are managed. Rather, it is an important tool as part of domestic efforts to improve

governance and track progress in that regard.

## **ANNEX I**

### **Initiating Memorandum**

Prior to the conduct of a peer review of any country, UNECA experts will visit the country for consultations on the scope of, and the process that will guide the peer review. The results of these consultations will be reflected in an Initiating Memorandum.

Discussions will be held with senior government officials as well as other stakeholders. The visiting team will help to prepare the Memorandum. However, the Memorandum will be owned by the country to be reviewed.

The Memorandum shall be brief and succinct and focused on relevant issues. The following is an illustration of the contents of an Initiating Memorandum:

#### **Background**

- Country background information; and
- Objective of the peer review.

#### **Scope**

- Areas to be reviewed;
- Specific issues deserving attention; and
- Methodology.

#### **Process**

- Role and identity of country authorities and other in-country stakeholders;
- Role and identity of collaborating partners; and
- Planned contributions by country authorities and other in-country stakeholders.

#### **Timetable and reporting arrangements**

- Proposed timetable for conducting the peer review; and
- The arrangements for submission and consideration of the reports.

#### **Team composition**

- The leaders and members of the peer review team and their biographical data.

#### **Budget**

- The anticipated costs of completing the entire peer review exercise.