Chapter 5

Mutual Accountability

The Paris Declaration calls upon donors and partners to be mutually accountable for development results. Individual and joint actions can create and reinforce shared agendas by building trust, shifting incentives towards results, embedding common values, deepening responsibilities and strengthening partnerships. Progress towards mutual accountability has been slow, when gauged by the number of partner countries that undertake mutual assessments of progress in implementing agreed commitments on aid effectiveness. This may be in part because mutual accountability is a relatively new principle, and is demanding of capacity. However, despite the undeveloped nature of the mutual accountability system as a whole, more pieces of the solution are actually at hand than is generally assumed, and a range of mechanisms make contributions toward fulfilling this commitment.

Introduction

The Paris Declaration calls upon donors and partners to be mutually accountable for development results through a set of individual and joint actions. Specifically, under PD § 47-50, ***partner countries commit to strengthen the parliamentary role in national development strategies and/or budgets and to include a broad range of development partners when formulating and assessing national development strategies. For their part, donors commit to provide timely, transparent and comprehensive information on aid flows. Partner countries and donors together commit to assess country-level mutual progress in implementing agreed commitments on aid effectiveness, including the Partnership Commitments***.[1]

Mutual accountability (MA) – as defined in the Joint Venture on MfDR sponsored studies on mutual accountability at the country and international level – is "the process by which two (or multiple) parties hold one another accountable for the commitments they have voluntarily made". It is a process through which shared agendas are created, often through contestation, and are reinforced by building trust, shifting incentives towards results, embedding common values, deepening responsibilities and strengthening partnerships (Droop, Isenman and Mlalazi, 2008). This partnership-based approach to development calls for: *1)* generating and agreeing upon shared goals and obligations to be undertaken by the respective parties; *2)* using information to monitor and review performance; and *3)* discussing and negotiating necessary adjustments to the shared agenda (Driscoll and Wathne, 2008).

Behavioural change can be brought about through rewards, sanctions and/or peer pressure. The basis for mutual accountability in the Paris Declaration is the joint recognition that this can help motivate both donors and partner countries to live up to their aid and development commitments. However, there are important obstacles to this mutual accountability. One is competing lines of domestic accountability, which, as the Paris Declaration Evaluation Synthesis Report noted, can lead to political sensitivities. Another is the greater power of donors, particularly through their discretion on commitment and disbursement of their financing. These mean that "hard" mechanisms of accountability are not feasible and that reliance must be on voluntary collaborative mechanisms. The challenge is to make these mechanisms as effective as possible in fostering change in behaviour, in order to achieve better development results.

Progress towards the Paris Declaration commitments

Assessments of progress

Progress towards mutual accountability is assessed at country level, and gauged by the number of "***partner countries that undertake mutual assessments of progress in implementing agreed commitments on aid effectiveness***" (Indicator 12). As of 2005, 12 out of the 34 countries participating in the baseline Monitoring Survey (36%) had mechanisms of this type in place.[2] The goal is for all countries to undertake mutual assessments by 2010. However, both the 2008 Monitoring Survey and the Paris Declaration Evaluation find that progress towards this target has been slow. In fact, according to the 2008 Survey, only 13 out of the 55 countries reviewed (24%) had such mechanisms as of 2007. Progress towards greater mutual accountability, like managing for results, is hampered by the lack of clear definition – a view that is widely shared.[3]

This may be in part because, unlike ownership, alignment and harmonisation – which featured prominently in the 2003 Rome Declaration – mutual accountability is a relatively new principle (see Box 5.1). Thus, the indicator on which agreement could be reached at that early stage was quite general and lacked a shared definition of what constitutes acceptable "mutual assessments".

Box 5.1. **Increasing awareness and understanding of the MA agenda**

In recognition of the need to further clarify and develop the mutual accountability initiative, delegations from Cambodia, Laos and Viet Nam (including government, donor and civil society representatives) met on 6 July 2008 to "develop a common understanding of what mutual accountability means". In addition to exchanging information and peer reviewing each other's experiences, delegates proposed a set of "building blocks" that can help move the MA agenda forward. These include:

- fully operational multi-year frameworks and financing commitments;
- measurement of individual institutions' performance against Paris Declaration principles;
- country-specific mechanisms for civil society and Parliament engagement;
- widespread capacity and mainstreaming of AE principles;
- databases with clear definitions and quality data;
- working groups/mechanisms with the right level and number of participants to maximise functionality and quality of dialogue;
- delegation of authority to country offices and availability of data at country level;
- headquarter support to provide standards, information, guidance and enabling conditions.

Source: Submission to the Working Party on Aid Effectiveness, "Recommendations to progress the achievement of mutual accountability" from the Joint Initiative on Mutual Accountability: Cambodia, Laos and Viet Nam (July 2008).

Mutual accountability also depends upon all parties having sufficient capacity to hold the other parties to account. However, as discussed above, capacity limitations within governments (and CSOs and parliaments) often undermine aid effectiveness, and available capacity is often not drawn on to full advantage. The need to build a range of capacities was repeatedly emphasised at the Regional Consultations for the HLF-3 held in Africa and in East and South-East Asia.

Despite the undeveloped nature of the MA system as a whole, the Evaluation finds that "more pieces of the solution are actually at hand than is generally assumed" and that there is "quite a wide range of existing and evolving mechanisms for mutual review at various levels which make contributions toward fulfilling this commitment."[4] For example, in a number of countries, donors and recipients have agreed on localised aid effectiveness agendas, some with strong elements of mutual accountability (as is the case, for example, with the Independent Monitoring Group in Tanzania and the Independent Monitoring Report in Viet Nam).[5] Similarly, in most countries there are forums for two-way dialogue, including Consultative Group meetings and Sector Working Groups, many of which go beyond the exchange of information. Further examples of mutual accountability mechanisms are highlighted in the Paris Declaration Evaluation and the JV

MfDR-sponsored report on mutual accountability at the country level (Driscoll, Steer and Wathne, forthcoming).

Strengthening domestic accountability: parliaments and participation

It is important for donors and partners to ensure that MA relationships complement, rather than crowd out, national accountability between governments and citizens. For government, this means ***expanding good practice in involving civil society and parliament in its engagements with donors***[6] (PD § 48). The recent Eurodad report *Turning the Tables* highlights a number of cases where civil society has participated in aid-related policy dialogue (for example in Cambodia's Technical Working Groups and Ghana's Consultative Group meetings) (see Box 5.2). However, these examples of good practice have not yet become general practice, and too often the quality of participation remains low. Furthermore, even where civil society is invited to meetings, parliaments and CSOs are rarely included in the formulation of MA mechanisms, nor are they sufficiently informed about domestic resource use and the amounts and types of aid coming into the country.[7] For donors, increasing complementarity means being transparent about their aid flows as well as (where appropriate) supporting local accountability mechanisms. It also means better explaining to their own domestic accountability mechanisms, including parliaments, the importance of mutual accountability.

Civil society can also play a stronger role in helping move the MA agenda beyond aid management. The joint donor report *Making Aid More Effective through Gender, Rights and Inclusion: Evidence from Implementing the Paris Declaration* (Oxford Policy Management Limited, Social Development Direct and workingtogether Ltd., 2008), finds that bringing parliament and NGOs into the accountability framework can enhance accountability to international and national commitments in areas such as gender equality and human rights.

Box 5.2. **Domestic accountability**

There are many examples of both local and international NGOs taking steps to strengthen domestic accountability, including:

- In Afghanistan, the local umbrella NGO ACBAR conducted an independent review of donor performance and aid effectiveness.
- In Cambodia, the NGO Forum organised a CSO Forum on Aid event where donors accounted for their aid programmes.
- International NGOs such as AFRODAD and the Parliamentary Centre are working to raise parliamentary capacity through training and information sessions.

Source: Eurodad, *Turning the Tables* and the Joint Venture on MfDR-commissioned study by the ODI on MA at the country level.

Improving information on aid flows

Sufficient information is key to strengthening country ownership and MA. Yet progress towards better provision by donors of information on aid flows is lagging (PD § 49). Most of the Paris Declaration evaluations, by both donors and partners, report "continuing serious difficulties involved in securing and providing timely, transparent and comprehensive information", In fact, such information is "widely found to be missing or inadequate, even in relatively strong systems" (Wood *et al.*, 2008, Chapter 3.21). Concerns about inaccessible donor information were also raised by civil society and government interviewees in all seven countries reviewed for the Eurodad report *Turning the Tables* (see Box 5.3). (For a more in-depth discussion on this subject – including aid predictability, aid management and aid on budget – see the alignment section above).

Box 5.3. **Databases on development assistance flows**

Databases to record development assistance flows, managed by the government and/or donors, have emerged in a number of countries. However, the extent to which these databases are able to capture flows in an up-to-date and comprehensive manner varies.

"The most comprehensive information on aid flows available online from the case studies is from Mozambique. The ODAMoz database (*www.odamoz.org.mz*) was created in response to the Paris Declaration to collate all information on commitments and disbursements from donors to the country including relevant information on joint funds. The database is user-friendly and data quality is good. Information is updated on a quarterly basis, following Mozambique's official budget cycle.

This initiative still has challenges to overcome: the database relies on donors providing accurate figures, only includes members of the Development Partners Group (therefore excluding Chinese aid, for instance) and there are problems of double counting when donors implement projects through UN agencies. The government says the information is still inadequate for their macro-economic and budgetary analysis, and most CSOs are unaware of its existence" (Eurodad).

Source: Eurodad, *Turning the Tables*.

International accountability mechanisms

The emphasis of the Paris Declaration (both for mutual accountability and the Paris principles more generally) is on results at the country level, but measures are needed at both country and international levels to achieve them. Although the Paris Declaration specifically refers to country mutual accountability mechanisms, international mechanisms which promote mutual accountability complement these country-level mechanisms by strengthening the incentives and the political momentum to accelerate the pace of reform. While these international mechanisms apply to both donors and partner countries, they play a particular role in strengthening donor accountability as – given the power imbalance – aid-dependent countries often find it difficult to unilaterally hold donors to account.[8] As such, a number of international accountability mechanisms (both official and non-official) have been developed over the past few years including mechanisms that provide independent and frank information on donor and partner performance, forums for debate, peer reviews and mechanisms by which donors and partners oversee the performance of one another. Current two-way accountability

mechanisms include: the High-Level Dialogue for assessing Financing for Development, the Africa Partnership Forum, the Global Monitoring Report and the Paris Declaration Monitoring Survey.[9] Indeed the Paris Declaration itself, and the process from Rome to Paris to Accra, are key international mechanisms of mutual accountability. However, there is a need to increase the coherence, strength, partner-country participation and in-country effect of these mechanisms.[10]

Implications for the future

Ensuring greater aid and development effectiveness partly depends on partner countries and donors being held accountable for their commitments. However, acceptable mutual assessments – as defined by Indicator 12 – have yet to be established in the majority of partner countries. A number of promising measures have been raised in the context of work by the Joint Venture on MfDR on mutual accountability. One is greater voice for partner countries, building on the strong leadership by partner countries at the country level and on the role of partner countries in the Working Party on Aid Effectiveness at the international level. A second measure is welcoming independent analysis by think tanks and NGOs, at both the country and international levels, as well was closer involvement of parliaments. A third, again at the country and international levels, is improving the evidence base: a key element would be to make data on aid flows, quality and results promptly and widely available. Donors and partners can also keep strengthening country-level accountability mechanisms through agreed and jointly monitored action plans on aid effectiveness, harmonising and aligning support for capacity development, and continuing to build mutual accountability mechanisms into a genuine system that would produce complementarities in changing incentives and behaviour.

Notes

1. The case for mutual accountability is set out in "Background Paper on Mutual Accountability", presented at the Third International Roundtable on MfDR in Hanoi on 5-8 February 2007, *www.mfdr.org/rt3/Glance/Documents/MA&P_final.pdf*.

2. The 2006 Monitoring Survey reported that 15 of the 34 countries participating (44%) had such mechanisms in place. However, as a result of subsequent data cleaning, the baseline is now estimated to be 36%, or 12 out of the 15 countries (OECD, 2008a).

3. Lack of common and clear targets was raised as a key difficulty in the donor self-assessments as well as several of the 2008 Monitoring Survey draft country chapters (OECD, 2008a; 2008b).

4. See Wood *et al.*, 2008, Chapter 3.20 and 3.21.

5. Examples include: Harmonisation Acton Plans, Aid Policies, Aid Compacts, Partnership Principles, Performance Assessment Frameworks, Memoranda of Understanding and Joint Assistance Strategies. However, the extent to which these documents are jointly created and owned, as well as the extent to which they include commitments and indicators for both donors and governments, varies. For further details, see Driscoll, Steer and Wathne (forthcoming).

6. The Evaluation finds that partner countries are moving forward in their commitments to strengthen the role of parliament and expand participation. See Wood *et al.*, 2008, Chapter 3.21.

7. Reasons given for low quality of participation include lack of capacity as well as the structure of the forum; a number of NGO representatives have stated that the structure of the groups do not encourage CSO debate and input. See "DRI Issue Note 5" available at *http://weca.files.wordpress.com/2008/05/issues-note-5_mutaccountability-revised.doc* and "Turning the Tables: Aid and Accountability under the Paris framework at *www.eurodad.org/uploadedFiles/Whats_New/Reports/Turning_the_Tables.pdf*.

8. "The question [as to whether accountability can be fully mutual] was explicitly raised in two country evaluations about the relative means available to the two parties for assuring compliance, pointing out that the donor's option of reducing or withdrawing its aid has no matching equivalent in the hands of the partner country, which is always constrained to whatever degree it considers the aid involved important" (Wood *et al.*, 2008). The issue of power imbalance was also raised in both the Pacific and African Regional Workshop on AE. However, while there is a clear power imbalance, it is important to recognise that there are constraints on donors as well, including pressure to disburse, *www.accrahlf.net/WBSITE/EXTERNAL/ACCRAEXT/0,,contentMDK:21690833~menuPK:64861647~pagePK:64861884~piPK:64860737~theSitePK:4700791,00.html*.

9. "Paris Declaration on Aid Effectiveness: Study of Existing Mechanisms to Promote Mutual Accountability (MA) Between Donors and Partner Countries at the International Level", p. 7.

10. *Ibid*.

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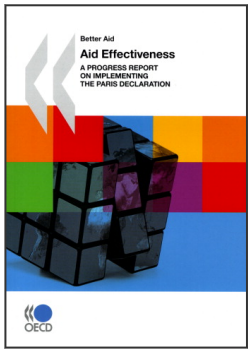

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