

Policy Brief No 1:

Transparency, risk management and mutual accountability

The original five principles of the Declaration have been unevenly implemented since 2005. Overall, country ownership has advanced farthest, with alignment and harmonisation progressing more unevenly, and managing for development results and mutual accountability advancing least. While these principles all remain valid and useful, the evaluation highlights several pressing needs at the level of principle: to bring managing for results back closer to its original purpose, to emphasize two new over-arching principles – greater transparency and a realistic acceptance and management of risks – and to make mutual accountability real. These new thrusts are vital to further aligning aid with country systems and supporting better development results – the ultimate purpose of the Declaration and aid reforms.

Enhanced transparency

While transparency as such was not listed among the guiding principles in the Declaration, it is clearly fundamental to the other principles and to many of the 56 specific commitments made. Transparency has emerged repeatedly as the indispensable foundation for effectiveness and accountability. The Declaration emphasizes the roles of enhanced transparency and of donors' and partner countries' respective accountability to their own citizens and parliaments for their development policies, strategies and performance. This is backed by specific commitments (nos. 48 and 49) to stronger parliamentary roles, participatory approaches and timely, transparent and comprehensive information on aid flows.

Findings on “enhanced respective accountability of countries and donors to citizens and parliaments.”

With a number of striking exceptions, progress among donors has been mostly slow. Among partner countries it has also mostly been slow, but some countries have made moderate progress and show what is possible. More partner countries are taking in hand the need to secure and publish donor information about aid. Several countries' own provision of information about aid has improved, generally along with greater accountability to and through parliaments, and through them potentially to citizens at large.

The evaluations have found some improvements in these areas, but reforms are unlikely to be able to go much further without substantial further improvements in transparency on the part of both donors and partner countries. The evaluations also find a critical lack of transparency and reli-

able data on increasing flows of cooperation from providers of aid not yet covered by the Declaration, as well as through non-governmental organizations. These important gaps need to be closed.

Findings on progress towards commitments in the Accra Agenda for Action (para. 24) on transparency and accountability for development results.

Progress toward the transparency goal has been mostly slow to moderate for both donors and partner countries, and slow to none on the joint goal of having ‘mutual assessment reviews...in place by 2010 in all countries that have endorsed the Declaration’.

The International Aid Transparency Initiative has begun to open up new windows. Support for this initiative and collaboration with its work offers another opportunity for both donors and agencies, partner countries, civil society and others to follow through on their commitments to this principle. Eighteen donor countries and agencies are now signatories of the Initiative, together with 19 developing countries.¹

Shared risk management

Findings on donors' and agencies' commitment to “increased alignment of aid with partner countries' priorities, systems and procedures, and help to strengthen country capacities.”

While there is no evidence of backsliding, the pace has been mostly slow and the distances travelled by donors in aligning their aid vary by donor, by country and by the different aspects of alignment involved. The evaluations point to significant efforts to strengthen countries' capacities, but not notably well-coordinated or harmonised ones, and with limited measurable results to date.

With a number of notable exceptions donors and agencies have demonstrated less commitment than partner countries to making the necessary changes in their own systems. Some have been too uncoordinated and risk averse to play a proactive part in the relationship. Most have set high levels of partner country compliance as preconditions for their own reforms rather than moving together reciprocally and managing and sharing

¹ The Evaluation also found that the aid transparency assessments of different donor programmes by the non-governmental initiative, Publish What You Fund, are sufficiently well-grounded to help stimulate debate and more openness where authoritative information and action have been badly lacking for far too long.



The Evaluation of the Paris Declaration

risks realistically. The limited use of country systems is mainly explained by a continuing lack of confidence by donors in those systems and/or concerns about prevailing levels of corruption. Country systems also are still slower and more cumbersome than those of donors. The general donor reluctance has not changed in spite of considerable effort by governments and/or positive, objective assessments of progress.

In many donor countries, the period since the Paris Declaration has coincided with intense concerns about accountability for public spending that have led to a heavy focus on compliance and a risk-averse culture. These tendencies have hampered good practice and frustrated many of the changes called for in the Declaration. But to try to avoid all risks in development cooperation is to risk irrelevance.

Moreover, this Evaluation supports the conclusions of other major assessments that the new approaches to development cooperation are in reality no more risky than traditional projects, and that there are sound ways of managing the risks in the new models while also enhancing the development benefits.

There are ways of promoting a realistic public understanding of the uncertainties and risks of development and aid work and how to handle and learn from them. Cutting edge initiatives and the effective use of tools like evaluation can help. Adding shared risk management as a principle of future aid reform will openly acknowledge that there are many uncertainties and risks in development and in partnerships. It will also express a mutual commitment to confront and manage risks and disagreements jointly, in the spirit of a mature partnership. Experience suggests digging in for the next stage in a longer journey, learning from success and setbacks and finding the best ways of working towards further step-by-step improvements, with donors using the systems as much as possible to help improve them.

Mutual accountability

Perhaps the most important overall finding on the implementation of the principles has been the clear and almost universal failure, as noted above, to advance on making direct mutual accountability more transparent, balanced and effective.²

Commitment no. 50 in the Declaration was for partner countries and donors to jointly assess through “existing and increasingly objective” country level mechanisms mutual progress in imple-

menting agreed commitments on aid effectiveness. This gap is a critical obstacle to taking aid partnerships to a more mature level, and calls for specific measures to try to overcome the real difficulties and breaking out of this dead-end.

Several factors help explain why so few direct mechanisms of mutual accountability have evolved despite the policy commitment to do so:

- the imbalanced or asymmetrical relationships, leverage and potential sanctions between aid providers and receivers;
- the complexities for an aid-receiving country in setting up mechanisms to deal with multiple donors/agencies on mutual commitments;
- the lack of a generally-accepted framework for defining and measuring mutual accountability in aid; and
- tensions with donors’ concerns to satisfy the accountability requirements of their home administrations, and slow movement on the Declaration commitment to harmonise.

Overcoming these problems is one of the objectives underlying the Evaluation’s recommendations to “centre and reinforce the aid effectiveness effort in countries” and for senior policymakers in partner countries to “take full leadership and responsibility at home for further aid reforms.” More successful cases of mutual accountability have been found in countries with both a strong framework and forums for aid coordination and strong national leadership.

Annual country-level forums, with the participation of development partners, are already the rule. These should be reinforced as the centre-piece of the system of shared information, mutual performance review, wider participation and consultation, priority-setting, commitment, alignment and harmonisation. More countries have in place or are now building their own strong mechanisms to track and manage aid partnerships, and others that wish to do so need to be supported in this. Key quantitative targets and timeframes for reforms and performance should be selected, set and agreed at the country level. The negotiation of longer-term aid agreements between the partner country and all its aid providers should follow from these efforts to bring much-needed improvements in the coordination and predictability of aid.

Finally, to help resolve the widespread deficit in mutual accountability and the genuine challenges in making it work, all countries should have the option of calling on independent facilitator/rapporteurs to monitor and help steer these processes with greater objectivity. Impartial individuals or small panels could make a major difference, working with the country participants and the donor community, drawing on the norms of good practice and providing their independent input to the annual forums and international reporting systems.

² Even in most of the cases evaluated where there are joint assistance strategies and agreed performance frameworks, the evaluations find that the mutual accountability arrangements are not satisfactory, making slow progress or under strain when they are tested. This assessment takes into account the natural tensions that must be expected in any process of mutual accountability.

