

MUTUAL ACCOUNTABILITY: EMERGING GOOD PRACTICE

"A major priority for partner countries and donors is to enhance mutual accountability and transparency in the use of development resources".

(Paris Declaration on Aid Effectiveness, 2005)



"A basic expression of mutual accountability is transparency. If a partner government knows what external resources are being added to its domestic resources, it can better plan and budget. Equally if a government is more transparent and includes its parliament and citizens in development decisions, it can achieve better development results and in turn provide donors with the confidence that resources are being used effectively."

(Mary Robinson, Accra High Level Forum on Aid Effectiveness of 2-4 September 2008,
Keynote Address to Roundtable 5 - Making Mutual Accountability Real)

WHAT IS MUTUAL ACCOUNTABILITY?

Mutual accountability is a process by which two (or multiple) partners agree to be held responsible for the commitments that they have voluntarily made to each other. It relies on trust and partnership around shared agendas, rather than on 'hard' sanctions for non-compliance, to encourage the behaviour change needed to meet commitments. It is supported by evidence that is collected and shared among all partners.

Progress in mutual accountability is all the more important because the relationship between donors and partner countries is inherently uneven. But since High Level Forums on Aid Effectiveness in Paris (2005) and Accra (2008), both parties are accountable for the use of development resources as well as for development results, including achievements with respect to governance, gender, environment and human rights.

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HOW DOES MUTUAL ACCOUNTABILITY WORK AT THE COUNTRY LEVEL ?

According to a review carried out in 2008 by the Overseas Development Institute, three core elements contribute to the process of mutual accountability:

Generating a shared agenda (e.g. through joint assistance strategies, partnership declarations, harmonisation and alignment action plans and aid policies which define “how” aid is provided, as well as national development strategies and sector strategies which define “what” aid will be used for).

Monitoring and reviewing mutual commitments (e.g. through donor performance assessment frameworks (donor PAFs), results frameworks, aid databases and independent evidence from civil society and independent monitoring groups).

Providing space for dialogue and negotiation (e.g. through development partner fora, joint working groups and consultative groups which include donors and partner government executives, parliamentarians and civil society partners).

LESSONS LEARNED AT THE COUNTRY LEVEL

- **Reciprocal trust:** can be achieved by high quality dialogue and clear agreements on expectations, roles and responsibilities of each stakeholder in the aid relationship.
- **Government coherence:** strong government leadership which clearly establishes the overall aid policy and pro-actively involves parliaments and civil society can significantly contribute to resolving differences between – and within – key stakeholder groups.
- **Capacity:** is needed to generate shared agendas, monitor progress and engage in meaningful dialogue and negotiation. One should build on existing national systems of consultation, monitoring and evaluation. There is no “one size fits all” in mutual accountability. Different environments require different mechanisms.
- **Credible incentives:** for both donor and partner governments to fulfil obligations are crucial. Whereas donors can ultimately sanction their partners by cutting aid flows, sanctions for non-compliance by donors is virtually nonexistent. Country-level experience shows that donor-donor peer pressure as well as strong government leadership can be an effective incentive for donors to fulfil their commitments. The role of donor country parliamentarians should also be further explored.
- **Complementarity:** mutual and domestic lines of accountability can reinforce each other. Mutual accountability must build on existing domestic accountability mechanisms. Links between mutual accountability mechanisms at country and international level ought to be strengthened.

EXAMPLES OF GOOD PRACTICE AT THE COUNTRY LEVEL

Tanzania: In December 2006, the Joint Assistance Strategy for Tanzania (JAST) was launched. It is a country-based framework for aid effectiveness which defined the principles and roles and responsibilities of various stakeholders in development co-operation. The JAST was accompanied with a Memorandum of Understanding which stated clear commitments from both parties and signed jointly by the Government of the United Republic of Tanzania and its 19 development partners. The JAST continues the spirit of the Tanzania Assistance Strategy, with stronger emphasis on aid effectiveness through strengthened national ownership, government leadership and joint efforts to enhance capacity for effective development management. It also builds on the mutual accountability framework, supported by an Independent Monitoring Group (IMG) which had been institutionalised in 2001.

Vietnam: In 2005, a local version of the Paris Declaration - the Hanoi Core Statement - gave indicative targets of aid effectiveness to governments and donors. Progress towards these commitments has since been assessed through a comprehensive review process. Continual dialogue is assured through the Consultative Group, the Partnership Group on Aid Effectiveness and sector working groups. Steps have also been taken to improve the Donor Assistance Database, strengthen the National Assembly's oversight role and increase popular participation in decision making.

The **Mozambique “donor PAF”** which operates within the budget support framework has provided donor country offices and their respective HQs with a useful tool. The “donor PAF” has improved donor compliance with the principles of the Paris Declaration, in particular as regards to improved predictability, portfolio composition and limiting the number of missions. “Naming and shaming” pressures have provided incentives for behaviour change and greater acceptance of the principle of shared accountability against commonly agreed aid effectiveness commitments. The government

is now playing an increasingly active role in what started as a peer-to-peer process among donors.

The **Cambodia aid database** promotes increased transparency and predictability of aid. For example, the Cambodia Aid Effectiveness Report (2008), based on new data, provides an evidence-based analysis of aid and highlights particular problems around technical co-operation, project implementation units and the use of country systems. It observed improved predictability and increased use of information on aid to inform policy dialogue. It also noted, however, that successful aid effectiveness efforts needed to focus more on improving partnership dynamics and integration of aid management into core reforms such as in Public Financial Management and Public Administration Reform. The database and report have given the Cambodian Development Council (the government body for aid management), tools which provide it with the means to engage with the international community more effectively and confidently.

HOW DOES MUTUAL ACCOUNTABILITY WORK AT THE INTERNATIONAL LEVEL?

A review conducted in 2008 by Oxford Policy Management examined **three different types of international mutual accountability mechanisms:**

"Spotlights" are non-official mechanisms that seek to provide independent and frank information and highlight issues like donor and partner performance. Examples of such mechanisms include the Centre for Global Development's Commitment to Development Index, the African Monitor, the Africa Progress Panel, the DATA Report and the HIPC Capacity Building Programme.

"Mirrors" are mechanisms often used in peer reviews. In this context they can be thought of as donors holding up a "mirror" to one another. In the case of the Africa Peer Review Mechanism, this is done by partner countries. Existing mechanisms include the DAC Peer Review process and the EU Consensus on Development.

"Two way mirrors" are mechanisms that permit donors and partners to oversee one another's performance in the context of "mutual" agreements like the Monterrey Consensus and the Paris Declaration. Such mechanisms include the Working Party on Aid Effectiveness (including the monitoring of the Paris Declaration), the UN Development Cooperation Forum, the high-level dialogue around the Financing for Development compact and the Strategic Partnership with Africa and the Africa Partnership Forum / UNECA's Mutual Review of Development Effectiveness.

Mutual accountability mechanisms were reviewed against four key dimensions:

- **Evidence:** the extent of technical credibility based on quality, independence and transparency of performance information (the "currency" of accountability).
- **Ownership:** the extent of legitimacy among concerned donors, partner countries, civil society and citizens, and capacity to build and sustain consent, commitment, credibility, trust and common values.
- **Debate:** the extent to which mechanisms stimulate informed debate and ensure clear reasoning for performance is provided – through formal or informal mechanisms.
- **Behaviour change:** the extent to which the accountability mechanism causes desired behaviour changes – determined by levels of evidence, ownership and debate.

KEY FINDINGS

While international spotlights have a strong record of providing transparent, independent evidence, they lack the ownership to bring about behaviour change by donors and partner countries. The problem is different for mirrors and two-way mirrors. In spite of their legitimacy ('ownership') they may face difficulties at openly delivering critical information on performance. While many official mechanisms monitor overall performance of groups or sub-groups of donors, high quality regular monitoring of individual donor performance is much less frequent. Rarer still is performance monitoring of specific donors in specific countries.

But the picture is evolving rapidly. The evaluation of the implementation of the Paris Declaration in 2008 showed an example of how a mutual accountability mechanism already contributed positively to the behaviour change across the international development community. But there are also cases of overlapping objectives and functions, as well as gaps. For example, relatively few mechanisms ensure that partner countries have an equal voice; often targets and methodologies do not reflect their perspectives.





RECOMMENDATIONS

- Take steps to strengthen “evidence”, “ownership” and “debate” generated by key mutual accountability fora, and cut back on those mechanisms that offer less potential.
- Harness links and complementarity between international mechanisms, between international and country-level mechanisms, between official and non-official mechanisms, and between mutual and domestic accountability.
- Empower partner countries. Greater voice and participation of partner countries in the Working Party on Aid Effectiveness and Paris Declaration follow-up since 2009 has been a positive step within the international system.

- Support the UN Development Cooperation Forum (DCF), as a universal forum for mutual accountability on aid effectiveness. Further increase the independence, and so the authority of the DCF's Report.
- Strengthen the role of peer review processes. Integrate the results of credible independent external evaluations; provide more participation and “voice” for partner countries in Peer Reviews.
- Strengthen mutual accountability in relevant groups like the EU or multilateral development banks. For example, the EU could commit to making the EU Annual Report a best-practice “mirror”, and include a dispute resolution mechanism for arbitration on country-level disagreements between individual EU donors and partner countries.
- Strengthen the role of credible non-official monitoring in mutual accountability. For example, donors would commit to better integrate information from independent analysis like the CGD's Commitment to Development Index or the HIPC Capacity-Building Programme (CBP) Analysis into their domestic accountability mechanisms.

READ THE FULL REPORTS AND CASE STUDIES:

This document draws on reports on mutual accountability at the country and international levels prepared as background material for the Third High Level Forum on Aid Effectiveness in Accra (2008), on behalf of the DAC Working Party on Aid Effectiveness:

Mutual Accountability at the Country Level - A Concept and Emerging Good Practice Paper, Liesbet Steer, Cecilie Wathne, Ruth Driscoll, Overseas Development Institute (ODI), 2008

Paris Declaration on Aid Effectiveness: Study of existing mechanisms to promote mutual accountability between donors and partner countries at the international level, James Droop, Paul Isenman, Baki Mlalazi, Oxford Policy Management (OPM), 2008.

Both comprehensive reports and a brief **OECD Issues Brief on mutual accountability** at the country level are available at: <http://www.oecd.org/dac/effectiveness>

An **OPM Briefing Note on the international mutual accountability study** is available at: <http://www.opml.co.uk>

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