

**Domestic and Mutual Accountability for Aid:
Building stronger synergies
Literature Review and Conceptual Framework**

Developed for the Commonwealth Secretariat

September 2009

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Acronyms

AAA	Accra Agenda for Action
APRM	African Peer Review Mechanism
AWEPA	Association of European Parliamentarians for Africa
CCM	Chama Cha Mapinduzi
CG	Consultative Group
CSO	Civil Society Organisation
DA	Domestic Accountability
DAC	Development Assistance Committee
EC	European Commission
ECOSOC	The Economic and Social Council
GOVNET	Network on Governance
HAAP	Harmonisation and Alignment Action Plans
HIV/AIDS	Human Immunodeficiency Virus/ Acquired immune deficiency syndrome
HLF	High Level Forum
IBASE	Brazilian Institute for Social and Economic Analysis
IDASA	Institute for Democracy in South Africa
IMF	International Monetary Fund
JAS	Joint Assistance Strategy
MA	Mutual Accountability
MfDR	Managing for Development Results
MP	Member of Parliament
NGO	Non-Governmental Organisation
OECD	Organisation for Economic Co-operation and Development
PAF	Performance Assessment Framework
PD	Paris declaration
PEAP	Poverty Eradication Action Plan
PRSP	Poverty Reduction Strategy Paper
UDN	Uganda Debt Network

This paper has been prepared for the Commonwealth Secretariat by a team at the Overseas Development Institute (ODI).

The views expressed are those of the authors, not the ODI or the Commonwealth Secretariat.

1 Executive Summary

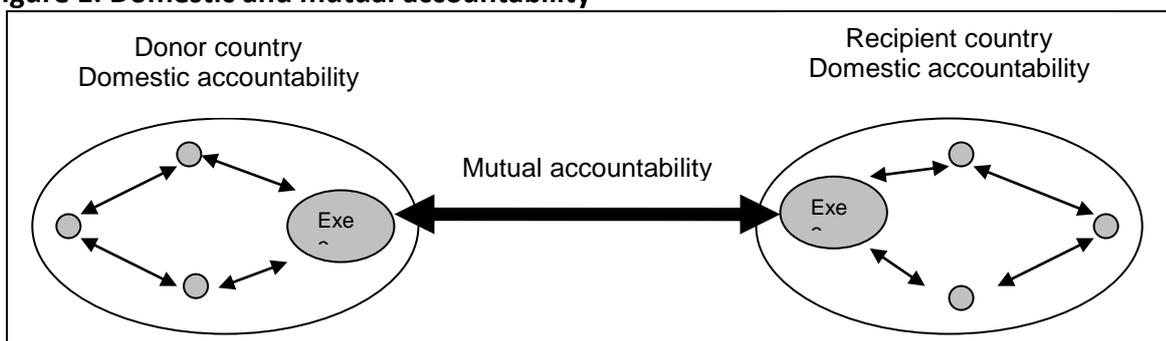
“Transparency and accountability are essential elements for development results and lie at the heart of the Paris Declaration, in which we agreed that countries and donors would become more accountable to each other and to their citizens for the use of all development resources and the results achieved” (Accra Agenda for Action, Paragraph 24).

1.1 Background and rationale: Accountabilities and aid effectiveness

Accountability should be a powerful driver of progress on aid effectiveness and poverty reduction (Accra Agenda for Action, para 22). Accountability matters in various domains: in developing countries, where domestic accountability, governance and politics are the prime movers of progress towards sustainable reductions in poverty; in developed countries, where domestic accountability generates the incentives that shape the policy and practice of donors; and, between developed and developing country partners, where mutual accountability can play a role in shaping the behaviour of aid donors and recipients.

To make progress on aid and development effectiveness, it is crucial that the workings of accountability across its various domains are in tune, working in harmony rather than at cross-purposes. Achieving synergies across the domains of accountability requires that good information is available about aid flows and the results that they contribute to. Information and evidence are the currency of accountability¹; building synergies between mutual and domestic accountabilities requires the creation of a “common currency”. This report analyses the existing literature on domestic and mutual accountability at the country level. From this, it sets out a conceptual framework and proposes a series of case studies to stimulate dialogue and share experience about how the synergies between domestic and mutual accountability for aid can be strengthened in order to enhance aid effectiveness and drive progress on poverty reduction.² Figure 1 shows the potential for these synergies.

Figure 1: Domestic and mutual accountability



¹ Droop, J., Isenman, P. and Mlalazi, B. (2008) *Mutual accountability in aid effectiveness: International-level mechanisms*. OPM Briefing Notes.

² Domestic accountability in donor countries is important, but here the focus is on the relationship between mutual accountability and domestic accountability in developing countries.

1.2 The nature of domestic accountability and mutual accountability

Domestic accountability concerns the relationship between the governed (citizens) and those who govern (government). Domestic accountability for aid concerns the relationship between governments who manage and make use of aid, and the domestic constituencies on whose behalf aid is managed. Domestic accountability can involve a wide range of domestic actors, including the executive, parliament, audit institutions, civil society organisations, political parties and the media. These actors play a number of roles in relation to aid, providing input to national development plans, facilitating debate about development priorities, engaging in the budget process, monitoring progress against targets for aid and development effectiveness, and ultimately sanctioning governments for poor performance.

Domestic accountability tends to be weak in many developing countries. A lack of transparency and access to information – about aid volumes, development plans or the results achieved by aid – limits the scope for domestic accountability for aid. These obstacles to effective accountability are compounded where power is concentrated in the hands of the executive, where domestic accountability institutions such as parliaments lack capacity, and in aid-dependent countries where the power of donors and their demands for accountability may skew accountability and marginalise domestic actors, excluding them from the policy process.

Mutual accountability concerns the two-way relationship between development partners – governments in developed and developing countries. Mutual accountability concerns the two-way relationship between aid donors and aid recipients. While no country has yet developed a fully-fledged mutual accountability system, a range of formal and informal mechanisms have been developed to build accountability for aid between recipient governments and donors. Some mechanisms – such as the Joint Assistance Strategies established in countries including Ghana, Kenya, Tanzania and Uganda – establish shared goals and reciprocal commitments, which in theory should be owned by recipient governments with inputs from donors. Some mechanisms – for instance, the common Performance Assessment Framework in Rwanda and the Partnership Group on Aid Effectiveness in Vietnam – focus on monitoring and oversight, evaluating the performance of both government and donors in implementing development programmes. And some mechanisms – such as country Consultative Groups and the Cambodia Development Forum – are more focused on dialogue and debate, providing fora where recipient government and donors can discuss issues of joint concern.

Mutual accountability mechanisms, where they exist, also tend to be weak. A lack of access to information on aid and aid performance limits the ability of either party to be held accountable. And, with few if any mechanisms available for developing countries to sanction donors for poor performance, mutual accountability mechanisms have tended to reflect rather than transform existing unbalanced power relations.

1.3 The relationship between domestic and mutual accountability

There is considerable overlap between domestic and mutual accountability. There should therefore be considerable scope for building synergies between the two.³ The fundamental overlap is that – echoing the fact that accountability entails transparency, answerability and enforcement – both domestic and mutual accountability for aid require and involve the

³ An alternative way of putting this is to say that domestic and mutual describe two different but related dimensions of accountability. Domestic accountability is defined in terms of the location or arena for accountability. Mutual accountability is defined in terms of the actors involved. The fact that they are defined in different dimensions allows the possibility of overlap.

generation and exchange of information about aid and the contribution that aid makes to achieving development results. Beyond this, there are overlaps between domestic and mutual accountability in terms of:

- **the focus of accountability** (what are the actors being held to account for?): both are concerned with the effective use of aid and other development resources to deliver development results;
- **the arena for accountability** (where are the actors being held to account?): both include in-country aspects, although mutual accountability has international aspects as well;
- **the actors involved** (who is holding whom to account?): both involve developing country governments, although domestic accountability looks inward and involves non-state actors such as parliaments and civil society organisations while mutual accountability looks outward and primarily involves state actors (though the importance of non-state actors is increasingly recognised).

In theory, domestic and mutual accountability ought to be complementary, working in synergy to drive progress on aid effectiveness and development results. In this scenario, strong mutual accountability enables stronger domestic accountability, which in turn further strengthens mutual accountability; the combination of mutual and domestic accountability driving faster progress in terms of development results. The Paris Declaration provides an example: donors provide timely, transparent and comprehensive information on aid flows, enabling executives in developing countries to report fully on budgets to their parliaments and citizens, which allows for enhanced domestic accountability. Conversely, another example would be where domestic accountability actors generate information about development results, and the contribution that aid has made, enabling them to hold their own government to account and strengthening the evidence base for mutual accountability.

In practice, as this literature review explores, weak and imbalanced mutual accountability has little purchase on donors' behaviour, with the result that they are more responsive to the incentives generated by accountabilities in their own countries. This might, for instance, encourage donors: to tie aid; to deliver aid in an unpredictable manner; and to make less use of developing countries' systems for Public Financial Management than their quality warrants. Another example would be the frequent failure of donors to provide transparent and timely information about aid, limiting the ability of parliaments and other domestic actors in developing countries to hold the executive to account for the use of that aid. Such practices can undermine domestic accountability in developing countries, leading to tensions rather than synergies between mutual and domestic accountability.

Transforming the dynamics of domestic and mutual accountability so that they work in harmony rather than at cross purposes entails strengthening domestic accountability with an eye to how it will feed into improved and more balanced mutual accountability, and strengthening and balancing mutual accountability with an eye to how it will feed into strengthened domestic accountability. Fundamentally, it entails ensuring that the information generated and exchanged in – and the behaviours shaped by – one set of accountability relationships enables the effective functioning of the other set of accountability relationships.

The evidence base about the relationship between domestic and mutual accountability is practically non-existent, with in-depth research on mechanisms for mutual accountability, in particular, in its infancy. However, as the evaluation of the implementation of the Paris Declaration notes, while mutual accountability is a complex puzzle, “more pieces of the puzzle are actually at hand than is generally assumed. In fact, they are already being used to varying degrees” (Wood et al 2008).

Building on the analysis in this report, there are three sets of questions that might usefully be explored through case study work to see how best to build the synergies between mutual and domestic accountability:

- First, whether the workings of mutual accountability might generate information, stimulate dialogue and shape behaviours in ways that feed into strengthened domestic accountability. An example of this dynamic can be seen for instance in Mali, where since 2006 the EC and a pool of donors have provided an annual report with detailed information about aid disbursements by sector, by instrument and by region. This allows domestic accountability actors to know what resources the executive has to spend, something that is essential for domestic accountability for the use of aid.
- Second, whether the workings of domestic accountability might generate information, stimulate dialogue and shape behaviours in ways that feed into strengthened and more balanced mutual accountability. An example of this dynamic can be seen for instance in the Philippines, where a civil society initiative monitors government infrastructure projects, enabling donors to hold developing governments to account for the use made of aid. Similar dynamics can be seen in Malawi, where civil society organisations have been active in tracking budget allocations, in Uganda, where the Ugandan Debt Network monitors how the government spends the additional resources made available through debt cancellation, and in Nicaragua, where a local CSO has previously conducted a detailed field-level audit of the use made of emergency aid.
- Third, whether the workings of domestic and/or mutual accountability can themselves be transformed, building the synergies between the two sets of accountability relationships. This might involve extending the range of actors involved in mutual accountability – including parliaments and civil society organisations in efforts to monitor donor performance – in effect, breaking down the boundaries between domestic and mutual accountability so that both sets of accountabilities work in harmony. Conversely, as occurred to some extent in the preparations for the Accra High Level Forum, it might involve including domestic accountability actors such as parliaments in discussions about aid effectiveness that take place beyond their domestic arenas.

2 Introduction

1. Despite considerable progress in a number of countries, poverty reduction and sustainable development remain a major challenge for many countries. Aid is of course only part of the picture, but for many developing countries – especially, but not exclusively in Africa – aid remains a key element of efforts to promote poverty reduction and sustainable development. Given the volume of resources that it involves, continued efforts to make aid made more effective are important.
2. Since the Paris Declaration (PD) on Aid Effectiveness, there is a growing body of knowledge and emerging practice regarding how accountability can enhance aid effectiveness. The initial emphasis has been on advancing new forms of donor/recipient country engagement through new modes of mutual accountability. More recently there is growing concern with strengthening the domestic accountability side of the aid relationship. The overall objective is to improve the synergies between mutual accountability and domestic accountability.
3. The aim of this report is to review the relevant literature on domestic and mutual accountability for aid, to develop a conceptual framework for examining the relationship between domestic and mutual accountability for aid, and to translate this into a case-study research methodology.
4. The objectives are to advance our understanding of the nature of the relationship between mutual accountability and domestic accountability for aid. The conceptual framework will develop a research agenda for the subsequent phase of case-study research: to explore the nature of domestic and mutual accountability for aid; to identify the areas of overlap between them, and the constraining and enabling factors that shape the interface between the two; to draw from this lessons in how they can become more mutually re-enforcing to enhance effectiveness for aid through better accountability mechanisms.
5. The scope of the research is accountability for aid. There are sound reasons for this focus. However, it is important to bear in mind that accountability is about more than aid – the Paris Declaration itself speaks of accountability for development results as well as for aid effectiveness – and that while aid can contribute to strengthening or undermining accountability, there are a number of other factors at play.⁴

2.1 Rationale: Accountability and aid effectiveness

6. Accountability refers to the process of holding to account, overseeing and keeping in check those persons who are entrusted with public responsibilities in the fulfilment of their tasks or functions (Schedler et al 1999). The OECD DAC has led the way in developing an ambitious agenda which seeks to enhance aid effectiveness, including through a focus on ownership and greater accountability for aid. The Paris Declaration on Aid Effectiveness was the culmination the Paris High Level Forum held in 2005, convened by the OECD DAC. This Declaration enshrined a number of key principles, which all have relevance to accountability for aid to varying degrees (set out in Box 1):

⁴ (Hudson 2009)

Box 1: Key principles in Paris Declaration

- 1) **Ownership:** Partner countries exercise effective leadership over their development policies, and strategies and co-ordinate development actions
- 2) **Alignment:** Donors base their overall support on partner countries' national development strategies, institutions and procedures
- 3) **Harmonisation:** Donors' actions are more harmonised, transparent and collectively effective
- 4) **Managing for results:** Managing resources and improving decision-making for results
- 5) **Mutual accountability:** Donors and partners are accountable for development results

7. Overall, the Paris Declaration with respect to accountability emphasised the following:

- The need to enhance donors' and partner countries' respective accountability to their citizens and parliaments for aid policies.
- The importance of timely and transparent information on aid flows to enable partner authorities to present comprehensive budget reports to their parliaments and citizens.
- Advancing on the mutual accountability agenda, by donor and recipient country governments committing to jointly assess country level mechanisms of mutual progress in implementing agreed commitments on aid effectiveness.

8. The Accra Agenda for Aid (AAA) included significantly stronger language and commitments regarding both domestic and mutual accountability for aid than Paris. It emphasised the importance of transparency and ownership and linked these to development results. It stressed core accountability principles of answerability and transparency and it focused on some of the key domestic accountability actors beyond government, namely parliaments and civil society organisations (CSOs). It also included greater detail on mutual assessment reviews for mutual accountability, and emphasised the need to draw on emerging good practice with stronger parliamentary scrutiny and citizen engagement. However, Accra did not address tensions regarding ownership and power imbalances between donors and aid recipients, nor did it address the 'third' accountability principle of enforceability. And it was relatively silent regarding other actors who may also play a role in domestic accountability for aid, including supreme audit institutions, the media and political parties.

9. *Accountability for aid* then, refers to the relationships of accountability aimed at improving aid effectiveness and poverty reduction, and on the suitability of how aid is decided and delivered by donor countries, and used by recipient governments. It includes mechanisms of domestic accountability for aid (between governments and their citizens) and mechanisms mutual accountability (between donors and recipient countries). *Domestic accountability for aid* concerns the relationship between governments who manage and make use of aid and the domestic constituencies on whose behalf aid is managed. Key elements of domestic accountability for aid include the oversight activities of parliaments and political parties, audit institutions, civil society organisations and the media. In this study we focus on the domestic accountability systems in the partner country and not in the donor country. *Mutual accountability for aid* concerns the two-way relationship between aid donors and aid recipients. Effective mutual accountability for aid entails setting, monitoring progress towards, and meeting reciprocal commitments on the delivery

and use of aid. Mutual accountability may take place at country and/or international levels, through a wide variety of mechanisms. In this report we focus on mutual accountability at the country level.

2.2 Bridging the gaps between domestic and mutual accountability

10. Discussions about domestic accountability for aid and mutual accountability for aid have tended to proceed in parallel. To date, mutual accountability mechanisms and debates have focused on the relationship between donor and recipient country governments, with little attention given to domestic accountability within the recipient (or donor) country (though this is starting to change). And on the other hand, little attention has been paid to ensuring that domestic accountability mechanisms contribute to working in alignment with and supporting mutual accountability efforts.
11. It is now widely acknowledged that domestic and mutual accountability are both important for aid effectiveness and ultimately for progress on poverty reduction, but the relationship between the two is poorly understood and has not been analysed in detail. This analytical and evidential gap makes it difficult for policymakers to know how to enhance aid effectiveness through promoting coherent systems of domestic and mutual accountability – and a more positive interaction between them. However, there are now a range of mechanisms and practices emerging which are beginning to constitute forms of accountability for aid (Wood et al 2008). In order to better understand the nature of the interface between domestic accountability and mutual accountability, we need to unpack the nature of the accountability relationships that they both include. For this it is useful to answer the following four dimensions with regard to what accountability systems look like (this is set out in Box 2).

Box 2: Four dimensions of accountability

Questions for domestic accountability and mutual accountability	Four dimensions of accountability
Who is being held to account Who is holding them to account?	1. To identify the <u>actors</u> in the accountability relationship
What are they holding them to account for?	2. To establish the <u>purpose / focus</u> of the accountability relationship
Where are they holding them to account?	3. To establish the <u>locus / arena</u> where the accountability relationship unfolds
How are they holding them to account?	4. To establish the rules or the <u>process</u> by which accountability is achieved (taking into account the questions of answerability, transparency and enforceability).

23. The first set of questions address who the actors are in the accountability relationship, and the direction of answerability that is involved. This is important to establish the degree to which it is the same set of actors that are involved in both domestic accountability and mutual accountability systems. The second dimension establishes the purpose or focus of the accountability system, that is, what it is that the government is being held to account for. This will help us establish whether in practice domestic accountability and mutual accountability are working to the same objective. The third dimension examines the locus or arena of accountability. The fourth dimension is about process, namely the rules by which accountability is achieved, and the degree to which domestic accountability and mutual accountability work under the same logic of answerability, transparency and enforceability. Mapping out these four dimensions provide a starting point to better understand the relationship between mutual accountability and domestic accountability, both in theory and practice, and how it might be strengthened. The following section identifies and analyses existing research and knowledge in the literature on domestic and mutual accountability in terms of these four dimensions.

3 Domestic Accountability for Aid

3.1 Defining domestic accountability for aid

24. Domestic accountability is “the ability of the citizens to hold the state answerable for its actions, and ultimately to impose sanctions for poor performance” (Hudson 2009a: 1). This report is primarily concerned with domestic accountability *for aid*. This does not include answerability of donors (something which mutual accountability addresses) but implicit within domestic accountability for aid is the extent to which citizens can hold the state answerable for its relationship with, and agreements with, donors. Moreover, domestic accountability – and domestic accountability in relation to aid – should be viewed as multi-dimensional. It encompasses ‘vertical accountability’, or the relationship between citizens and the state. This includes both electoral accountability (in democratic political systems) and in some contexts, societal accountability, where non-state actors such as CSOs, the media and political parties play roles in aggregating and representing citizens’ views. It also encompasses ‘horizontal accountability’, or those intra-governmental mechanisms which hold the executive to account, including the legislature, supreme audit institutions, the judiciary, and often some sub-entities of government such as the Cabinet and line ministries.

25. In recent years, the extent to which aid impacts on, and is affected by domestic processes has come to the fore. Three key strands have emerged from this renewed focus. Firstly, there is growing evidence of the extent to which external aid can skew or undermine domestic accountability. Secondly, there is growing recognition of the importance of domestic accountability for aid in achieving greater aid effectiveness. Third, improved domestic accountability for aid will contribute to enhancing the principle of country ownership for development. This suggests that, aid should be delivered in ways which strengthen domestic accountability, and in turn this should lead – among other things – to increased aid effectiveness.

3.2 Mechanisms for domestic accountability for aid

26. Domestic accountability for aid has multiple dimensions, actors and levels. Here we address the key questions outlined at the start in connection to the four dimensions of accountability (who, what where and how?) Some of these questions are arguably easier to answer than others. For example, domestic accountability for aid is located within the country concerned (the 'where') and involves the executive (the 'who' is being held to account). But the actors holding the executive to account, specifically what they are holding it to account for and how, will vary in terms of their capacity, competencies and real presence or effective participation in systems of domestic accountability for aid.

Who is holding the executive to account, and how?

27. One of the key challenges in analysing domestic accountability for aid is the plurality of actors involved, which play a wide number of roles and often have remits far beyond aid. In practice, the 'accountability system' or configuration of domestic accountability actors "brings together a variety of institutions, putting into practice and drawing on a number of principles – including human rights principles and agreement – through their engagement with particular issues" (Hudson 2009a: 2). This means that the different actors - including parliaments, CSOs, the media, political parties and supreme audit institutions - play a variety of roles, to varying degrees, in contributing to domestic accountability for aid, and will be responding to a variety of accountability (and other political) agendas.

28. The Accra Agenda implies that parliaments are the key actors in effecting domestic accountability for aid, as shown in its emphasis on the importance of recipient governments' committing to work with and open themselves up to scrutiny from parliaments. In large part, much of the literature on domestic accountability for aid agrees with this emphasis, at least in theory. Parliaments provide the link between vertical accountability (with parliamentarians accountable to voters and contributing to building the citizen-state relationship) and horizontal accountability (as parliament holds the executive to account).

29. Parliaments therefore play a number of roles which are relevant to domestic accountability for aid. They have representative roles, in that parliamentarians should aggregate citizens' views and preferences, including regarding aid. They also have oversight roles, in that they provide a check on and scrutiny of the actions and commitments of the executive, including in relation to budget processes (which may be particularly important regarding accountability for aid). Finally, they have a number of legislative roles in that parliaments can pass laws and set the legal framework, which has relevance for some aspects of domestic accountability for aid. Box 3 includes an example of parliamentary oversight playing a role in national planning and resource allocation in Uganda which has improved the budgetary process.

Box 3: Parliamentary budget oversight

In Uganda, the passing of the Budget Act in 2001 and the subsequent establishment of the Parliamentary Budget Office, strengthened the ability of the Ugandan parliament to engage in the budget process. As part of the Parliamentary Service, the Budget Office provides analysis to the Parliament's Budget Committee and to Parliament more widely, to improve the quality of parliamentary engagement with the budget process and financial management. The Poverty Eradication Action Plan (PEAP) reports that "the role of Parliament in national planning and resource allocation has been strengthened. The Executive is now required to share the budget proposals with Parliament well in advance, and all external borrowing has to be authorised by Parliament. Parliament is assisted in performing this scrutiny by the Parliamentary Budget Office (cited in Tsekpo and Hudson 2009).

30. In practice, however, parliaments have largely been viewed as relatively weak in relation to domestic accountability for aid (Hudson 2007). This is discussed further below. Partly in light of these weaknesses, CSOs have been looked to as key actors in ensuring domestic accountability for aid, particularly by donors.
31. CSOs can be defined as organisations that enable citizens to share information and coordinate action in pursuit of shared interests and values. It is important to remember that CSOs are extremely diverse, covering a wide range of economic, social, political, and environmental issues, and representing very diverse agendas. In relation to domestic accountability for aid, CSOs may contribute to societal accountability, representing citizens' views to the executive. Moreover, in recent years there has been an increasing focus on CSOs as potential drivers of accountability at different stages of the policy cycle including standard-setting, investigating and exposing state action on aid; demanding answers; and in some cases applying sanctions (particularly in terms of 'naming and shaming') (Hudson 2009: 11). Donors, in part because of the perceived weaknesses of other domestic accountability actors, but also because of fears of perceived interference in 'domestic politics', have often focused their attentions on CSOs. See Box 4 for examples on CSOs participating in budget monitoring and tracking.

Box 4: Budget monitoring and Civil Society Organisations

There are a number of examples of CSOs participating in budget monitoring and tracking, of which aid has been an important component.

- In response to concerns about the implementation of the PRSP and the budget, Malawian CSOs have tracked budget allocations since 2001, including budget allocations and resources received at local levels (Eurodad 2008: 51).
- The Ugandan Debt Network (UDN) monitors government expenditure of the additional resources made available through debt cancellation and donor budget support (de Renzio et al 2008: 148). UDN has also been involved in a number of sector working groups convened through the PRSP process and has led civil society input into the second PRSP revision. It has also used local-level monitoring committees to monitor government spending (Ibid.).
- The Brazilian Institute for Social and Economic Analysis (IBASE) provides good quality general budget information to citizens and seeks to build citizens' capacity to interpret budget information (de Renzio and Shultz 2008: 80).
- The Institute for Democracy in South Africa (IDASA) has carried out regional studies of budget transparency in select African countries, and also tracked resources for specific uses such as tackling HIV/AIDS (Hofbauer 2008).
- In the Philippines, an organisation known as 'Concerned Citizens of Abra for Good Government' was established in 1987 to monitor government infrastructure projects in Abra province. Working from government documents to better inform citizens, the organisation also visits construction sites and compares progress against official reports. From this, it submits audit reports to the appropriate authorities (Wood and Laverne 2009: 45-46).

32. Political parties, in theory, should play a number of key roles in ensuring domestic accountability, including for aid, as in democracies they are a key vehicle for aggregating citizens' interests and translating them into coherent policy platforms. They also structure policy choices for citizens, particularly in regards to elections. Political parties (both in terms of their parliamentary and grassroots bases) may play roles in holding the executive to account and also impact on domestic accountability where they play a role in recruiting, selecting and training people for positions in government and the legislature (Power 2008). Political parties

have largely been under-addressed in much of the literature on domestic accountability for aid, and they are not mentioned in either of the Paris or Accra agendas.

33. Another institution which often has less visibility in these debates, although this is starting to change, is the media. The media can play important roles in shaping communication between citizens and the state and it can play a variety of roles in domestic accountability for aid, from watchdog of government to agenda setter to gatekeeper or convenor, facilitating public debate (Norris 2009). In other words "A skilled independent media can provide citizens with essential political and economic information and analysis, encourage informed dialogue between policymakers and citizens, and demand accountability from political structures" (Hudock cited in Ornnert and Hewitt 2006: 21) all of which potentially impacts on domestic accountability for aid.
34. Finally, supreme audit institutions in many contexts will have a role to play in the scrutiny of the use of public funds, including aid where it is recorded as part of a government's budget. Supreme audit institutions take different forms in different institutional settings and report to either parliament, a Supreme Court or an Audit Board (Wang and Rakner 2005). Although not explicitly mentioned, the Paris and Accra commitments include a focus on greater donor alignment with country systems. This implies strengthened roles for supreme audit institutions (Horner and Power 2009: 10).
35. The process (the 'how') of accountability can be summarised as follows. Some of these actors may play predominant roles in ensuring *oversight* (parliaments, supreme audit institutions, and to a lesser extent CSOs, political parties and the media); some contribute towards the *representation* of citizens' views (parliaments, CSOs, political parties); some to the facilitation of *access to information* and to debate and dialogue (parliaments, CSOs, media, political parties); some can use or *enforce sanctions* (parliaments, CSOs). In different configurations and to differing levels, all of these actors contribute to the three core principles for domestic accountability for aid (transparency, answerability and enforceability). However, the task of exercising accountability roles for aid faces a number of challenges, discussed further below.

3.3 Aid modalities and domestic accountability

What are they holding them to account for, and where?

36. Thus, there are a number of possible actors in domestic accountability, which carry out a range of oversight roles with varying relevance for aid with the aim of holding governments (and donors) to account for their use of aid and for the way in which aid programs are implemented.
37. The arena ('where' accountability is exercised) to a large extent will be determined by the aid modality in question. In other words, the type of aid and method of delivery impact on what the executive can be held to account for, by whom and how. This is discussed in this section, as well as the potential for assessing domestic accountability for aid by analysing key entry point issues.

38. There are various different types of aid and differing categories. Some types allow greater space for domestic accountability for aid than others. One clear distinction to make is between Country-Programmable Aid and aid which is not programmable at the country level such as aid for special purposes like debt relief, humanitarian aid or NGO funding. The former, for example, would fall within the oversight powers of parliaments but the latter would not, although in some contexts, parliaments may track information on aid for these special purposes (AWEPA 2009: 15).
39. Donors may also provide other forms of assistance, such as aid in kind or technical assistance, for which domestic accountability actors in practice have limited or no scope in terms of accountability for aid. In general, it might be agreed that domestic accountability actors should play a role where aid is provided through an agreement with the executive and where aid flows impact on domestic resources, but who plays these roles and to what extent can vary according to context (Ibid: 17).

Box 5: Accountability for non-Country Programmable Aid

Examples exist of some domestic actors playing accountability roles in relation to aid which is not programmable at the country level. For example, following the destruction caused by Hurricane Mitch in Nicaragua in 1998, a local CSO, Coordinadora Civil para la Emergencia y la Reconstrucción, sought to respond to concerns regarding the government's management of emergency aid, and to rumours of discrimination in the delivery of aid based on party or religious preferences (Ramkumar 2008: 96). Coordinadora Civil undertook an audit of communities' perceptions of aid delivery with respondents from approximately 10,000 households and compared responses to official reports from the government and from donors. In doing so, it was able to identify some discrepancies in aid delivery (Ramkumar 2008).

40. Perhaps the most important distinction, particularly in light of Paris and Accra commitments, relates to the method of delivery of aid and specifically between project and programme based aid. As part of a commitment to greater country ownership and alignment, the Paris Declaration includes a commitment to ensure that 66% of aid flows are provided in the context of programme based approaches. Programme based aid involves a single budget framework for all sources of revenue whereas project based approaches refer to aid for stand-alone projects (Ibid.). Examples of programme based approaches include Poverty Reduction Strategy Papers, designed to be authored by recipient countries based on an assessment of their national development priorities and in consultation with civil society. More recently, new aid modalities such as General Budget Support and sector-wide approaches have been developed, to channel aid through recipient governments either through contributions to the overall budget or support to an entire sector (Handley 2009).
41. This diversity of aid types and methods of delivery present challenges for domestic accountability for aid. For example, aid which is provided in kind for project support (for example a road built with equipment or materials imported by a donor) is potentially the least likely to have mechanisms for domestic accountability, as it is the least likely to use country systems (AWEPA 2009: 22) whereas budget support approaches should have the most potential for domestic accountability mechanisms (Wang and Rakner 2005: 31). However, Hudson reminds us that the relationship between aid modalities and domestic accountability "is not the clear cut 'projects bad, new aid modalities good' dichotomy that is often portrayed"

(2008: 9). For example, well-designed project based approaches can incorporate domestic accountability and in practice many programme based approaches have still constrained domestic accountability (Ibid.). Moreover, as the following section sets out, domestic accountability for all types of aid has encountered a number of challenges.

42. Predominant approaches to domestic accountability for aid have tended to focus on the roles of specific institutions or actors, such as parliaments or CSOs. However there is increasing recognition that in reality domestic accountability for aid involves multiple actors engaging with each other in relation to particular 'entry point issues' such as budget processes (Hudson 2009a). Domestic accountability actors play a range of roles in relation to budget processes, and where aid is recorded 'on budget' (which is a key commitment in the Paris Declaration⁵) it is a significant area of oversight for aid. For example, in budget processes parliaments should play important roles in terms of holding the executive to account for how it uses public resources; approving budget legislation; and analysing audited accounts (de Renzio 2006: 637). Supreme audit institutions should audit funds channelled through country systems and report to relevant actors (parliaments, supreme courts and so on) and to the general public (Wang and Rakner 2005). CSOs and the media can play roles in budget tracking, scrutinising budget allocations (Eurodad 2008: 49-50). Political parties, in theory, play roles in structuring policy platforms and setting the overall policy frameworks for budget allocations and spending. Understanding how, and how well, these different actors interact around key entry point issues for domestic accountability for aid is therefore crucial.

4 Mutual Accountability at country level

4.1 Defining mutual accountability for aid

43. Mutual accountability aims to create a more balanced partnership between donors and recipient governments by holding them mutually accountable for development results and aid effectiveness. Although the concept of mutual accountability is still in its infancy, and thus the literature on mutual accountability rather limited, it is broadly agreed that it falls within the scope of the following two definitions:

"Mutual accountability is the process by which two (or multiple) parties hold one another accountable for the commitments they have voluntarily made to one another. But it is also more than that. It is a process through which commitment to, and ownership of, shared agendas is created and reinforced by: building trust and understanding; shifting incentives towards results in achievement of shared objectives; embedding common values; deepening responsibilities and strengthening partnership; and openness to external scrutiny for assessing results in relation to goals. In the context of the Paris Declaration, and development assistance more generally, mutual accountability is used in this sense but tends to refer specifically to the mutually beneficial relationship between donors and partners" (Droop et al 2008).

⁵ Indicator 3 of the Paris Declaration commits to halving the proportion of aid flows to government sector not reported on government's budget(s) (with at least 85% reported 'on budget').

“Mutual accountability in aid relationships is a compact that aims to create a more balanced partnership between donors and recipient governments, through shared values and commitments. The commitment of both recipient and donor stakeholders is largely maintained through positive incentives and a desire to maintain ones reputation. Hard sanctions generally do not exist. Ideally, mutual accountability implies a partnership on equal footing. A truly effective mutual accountability mechanism will counterbalance the often unilateral accountability mechanisms resulting from the power imbalance in aid relationship. Aid recipients are expected to account for their efforts to improve their country systems and policy making and development partners have to account for more and better aid, aligning their support with country-owned policies and relying to the extent possible on countries’ own systems and national institutions to deliver aid” (Steer et al 2009).

44. It is important to note that compliance towards mutually agreed commitments is voluntary. Donor-government accountability mechanisms, and the relationships built around them, are largely maintained through trust, reciprocity and peer pressure – not by sanctions or other ‘hard’ mechanisms for enforcement. Reputational costs may also factor into enforceability, but only as a soft mechanism.
45. Mutual accountability at the country level can also be complemented and reinforced by mutual accountability at the international level, which is not studied in this report (see Box 6).

Box 6: International Mutual Accountability

Mutual accountability at the international level has the potential to complement and reinforce mutual accountability at the country level by strengthening peer pressure, incentives and political momentum – particularly on the side of donors (OECD, 2008b; Third International Roundtable on MfDR, 2007). Current international MA mechanisms include the Global Monitoring Report, the Paris Declaration and its accompanying Monitoring Survey, the ECOSOC High-Level Development Cooperation Forum and the DAC Bilateral Peer Reviews. To maximise their impact, there is a need to increase the coherency and strength of these mechanisms. Efforts are also needed to increase partner country participation and the extent to which mechanisms are able to monitor the performance of individual actors (Droop et al 2008).

4.2 Mutual accountability mechanisms

Who is being held to account, where and how?

46. Although it is increasingly acknowledged that mutual accountability is linked to, and in part dependent upon, a wider range of actors, the relationship is primarily centred on DAC donors and central governments (often spear-headed by the Ministry of Finance, Ministry of Planning or the Ministry of Foreign Affairs) – though line ministries do play a role, particularly in sector-related matters. Within individual accountability mechanisms at the country level, the focus is often further limited to a sub-group of donors, such as those providing budget support or those active in a particular sector.⁶ However, there are occasions where these mechanisms include a broader group of donors. For example, non-DAC donors such as India, Kuwait and Turkey have participated in programme country consultative group meetings (ECOSOC, 2008).

⁶ The variation in number of actors is illustrated by the following example: according to Linn (2009), the Tanzanian Joint Assessment Strategy (JAS) involved 55 donors while the Nigerian JAS involved 2 donors.

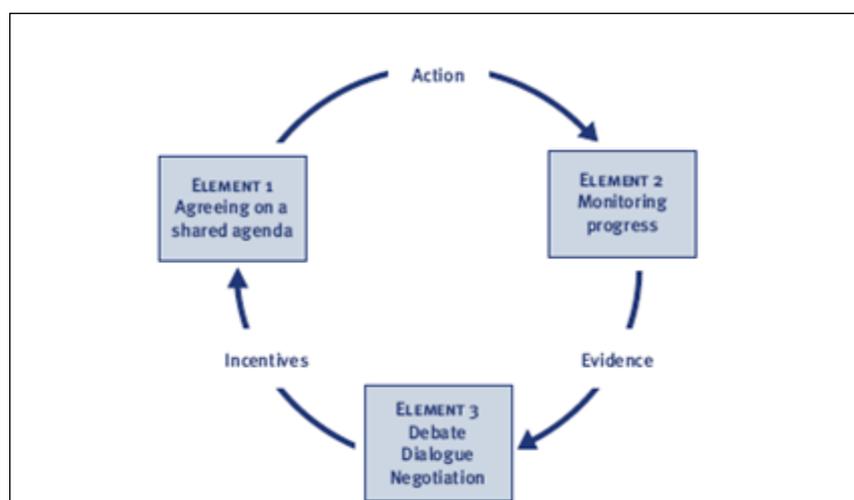
International NGOs and local civil society organisations are also sometimes present at government-donor events.

47. While there is as yet no fully fledged mutual accountability system in place, there are a range of mechanisms emerging by which governments and donors are beginning to hold each other to account. Research to date suggests that these mechanisms largely fall within one of three elements critical for the success of mutual accountability:

- first, generating shared goals and reciprocal commitments;
- second, monitoring and reviewing progress towards these commitments;
- and third, engaging in dialogue and debate around progress and next steps (Steer et al 2009).

48. By linking these elements in an iterative process it is hoped that donor and government behaviour will change over time. An example of this may be the Harmonisation Action Plan (explained below). First, government and donors come together to develop the plan – agreeing on what actions each party should undertake to improve their effectiveness. For example, donors may commit to increasing the predictability of their aid and the government may commit to improve its public financial management systems. Progress towards these commitments is reviewed. Findings are then presented at a meeting, followed by discussions on performance and agreements on next steps to be taken. Progress towards these next steps is then in turn reviewed. In reality, of course, this process is often less than perfect (as discussed below). For a graphical depiction see Figure 2.

Figure 2: A Generic mutual accountability process (Steer et al 2009)



Shared agendas

49. At country level donors and recipient governments have developed and committed to a range of shared agendas. These largely fall into one of two categories: agreements around development strategies and development results, and agreements around aid effectiveness practices.

50. *Development Strategies*: National, programme and sector development strategies are (at least in principle) owned by partner governments and their constituents. However, given that donors (strive to) fund through recipient budgets and align with recipient priorities, they have a stake in the content of these strategies as well. Moreover, Poverty Reduction Strategy Papers – which some governments (e.g. Ethiopia and Yemen) have merged with their national strategies – are a World Bank and IMF requirement for funds (World Bank, 2007). As such, development strategies are an important mechanism for dialogue, debate and the formulation of a common framework for action. Once developed, these strategies – which often contain a matrix of policy actions and targets – serve as a mechanism for monitoring progress. However, at the same time, in some cases dual strategy processes have developed which has led to competing or disconnected lines of accountability. Mozambique is a case in point, where the latest PRSP was carried out with consultative processes in place, but was not discussed in the legislature which had separately discussed the Government Five Year Programme, (Handley 2008).
51. *Aid Effectiveness Agreements*: Aid effectiveness agreements have been developed in a number of countries. These agreements – once implemented – generally qualify a country as having achieved indicator 12 of the Paris Declaration, (a commitment to undertake “mutual assessments of progress in implementing agreed commitments on aid effectiveness including those in [the Paris] Declaration”). Agreements largely fall into one of three categories:
- *Aid policies*: Aid policies outline countries’ aid effectiveness strategies and priorities. On the government side, the documents generally detail aid management responsibilities. In addition, aid policies encourage donors to act in a manner consistent with the Paris Declaration, including providing assistance that is both predictable and aligned with national priorities. While some aid policies – e.g. the Hanoi Core Statement – include specific commitments, others are more generic, listing second-best preferences and steering clear of targets.
 - *Harmonisation and Alignment Action Plans (HAAP)*: HAAPs are generally more action-oriented than aid policies. They typically consist of a matrix of actions to be undertaken by the government and donors. Although their formats vary, HAAPs generally cover the same principles as the Paris Declaration (e.g. the Mali Plan National d’Actions sur l’Efficacité de l’Aide au Développement). However, they differ in the extent to which these principles are linked to quantifiable targets. While most – such as the Cambodia HAAP – include localised and monitorable targets, some do not.
 - *Joint Assistance Strategies (JAS)*: Of the aid effectiveness agreements, JASs are generally the most operational. These strategies outline how donors intend to harmonise and align their behaviour and aid flows with government’s development strategies. The aim is for JASs to replace individual donor country strategies with a common framework for action, based upon the principles set out in existing aid effectiveness agreements.
52. There is also a range of sector-specific aid effectiveness agreements. For example, in Cambodia the government and donors have signed Partnership Principle Agreements in sectors such as private sector development, poverty reduction and growth operations, and agriculture and

water. Similarly, in Uganda the government and donors have signed a Memorandum of Understanding in support of the Local Government Sector Investment Plan which, amongst other things, encourages donor harmonisation and improved information on aid flows (Steer et al 2009). Aid effectiveness principles have also been agreed to between governments and sub-groups of donors, such as those providing budget support.

53. The process of developing aid effectiveness agreements varies by country and strategy. However, in general aid policies are developed by governments, HAAPs are jointly developed (though donors often take the lead) and JASs are developed by donors.^[1] With all three, there is at least some degree of consultation.

Monitoring mechanisms

54. A range of 'oversight' mechanisms are in place to monitor both government and donor progress towards agreed commitments on aid effectiveness and development. While the focus of many of these remains on the recipient, donors are increasingly assessed. There are also mechanisms that provide detailed data, ranging from information on aid flows to information on development results (e.g. poverty and primary education enrolment rates).
55. Reports and surveys are in place to measure development results. These include PRSP monitoring exercises, assessments of poverty reduction such as Uganda's Participatory Poverty Assessment Programme, evaluations of both government and donor performance in implementing development programmes such as Malawi's Joint Country Program Review and sector-specific monitoring mechanisms (e.g. Kenya's annual Joint Sector Review for the water sector). Progress reports and surveys are typically carried out by the government, consultations and/or a combination of the two. Many of these findings are then discussed at workshops, sector working group meetings and/or other government-donor forums. There are also examples of joint missions whereby government and donor officials visit a project site.
56. In addition to mechanisms assessing development results, tools are in place to track progress towards implementing agreed commitments on aid effectiveness. These include assessments of disaggregated performance targets and indicators for donors (e.g. Mozambique and Rwanda) and independent monitoring groups (e.g. Vietnam and Tanzania). There are also a few examples of sector-specific peer reviews of donor performance (e.g. Ghana's health sector). However, despite the recent increase in aid effectiveness monitoring mechanisms, the 2008 Paris Declaration Monitoring Survey reports that only 24 percent of countries had mechanisms that qualify them for Paris Declaration indicator 12 in place as of last year (OECD, 2008a). According to Steer et al (2009), the low level is in part "because many agreements remain at the level of general principles and have yet to be developed into fully operational frameworks with time-bound and measurable performance targets".
57. Performance Assessment Frameworks (PAFs) are a monitoring instrument commonly used by budget support groups to measure recipient government progress towards national development strategies or other agreed to targets. Findings, based on a set of indicators, are often used to determine future donor financial commitments and whether or not each donor

^[1] Note that there are several exceptions to this generalisation. For example, the drafting of the 2006 Joint Assistance Strategy for Tanzania was lead by the government.

will disburse agreed to funds (a decision still largely made on a donor by donor basis). As an example, Zambia's PAF contains 31 government targets, ranging from reforming Public Financial Management to increasing the percent of immunised infants. All indicators are derived from Zambia's Fifth National Development Plan and come with required actions and yearly targets (Steer et al 2009). In a few cases, PAFs have been extended to monitor donor commitments to aid effectiveness. For example, the Mozambique PAF scores each donor's overall effectiveness, based on the donor's performance against a set of agreed to aid effectiveness criteria. This score is then published at the annual Joint Review meeting of donors and government (Handley 2008).

58. Aid databases are another source of information on government and donor progress towards agreed commitments. These databases – initiated by donors, the government or a combination of the two – aim to provide timely, comprehensive and quality information on aid flows (both commitments and disbursements). Some, such as the Cambodia Database, provide information on Paris Declaration indicators as well (Steer et al 2009). To date, one of the most developed aid databases is Mozambique's, commonly referred to as 'ODAMAZ'.

Dialogue, debate and negotiation

59. Forums for dialogue and debate are essential for moving agreements and monitoring mechanisms from mere check-box exercises to mechanisms that increase accountability and encourage changes in behaviour. "They serve not only to define the agenda and review progress, but also to establish trust and provide incentives to carry out commitments" (Steer et al 2009). These forums exist at both the technical and political level. For example, in Mozambique there is a Development Partners Group, a Budget Support donor group, a Government-Donor Joint Steering Committee, a PAF co-ordination group and 22 sector working groups (Handley 2008).
60. Technical working groups are organised around sectors and themes. It is at these meetings, which are primarily attended by technical staff from the related Ministry and donors active in the area, that progress towards agreed to commitments, as well as reasons for lack of progress, are discussed. Because working group meetings generally take place on a regular basis throughout the year, they are an important forum for building trust and a common strategy. In some countries (e.g. Cambodia and Ghana), working groups are formalised through a Terms of Reference. As is the case with education in Tanzania, there are often multiple groups per sector – including committees and taskforces (Williamson et al 2008).
61. Consultative Groups (CGs) are the main vehicle for political policy dialogue in most countries. CGs, which historically functioned as ceremonial events and pledging sessions, are increasingly bringing together senior government and donor officials to review progress in implementing agreed to commitments and to discuss next steps. Evidence, such as Annual Progress Reviews and findings from independent monitoring mechanisms are often presented. Policy dialogue can also take place at the sector level. For example, in Mozambique the health Sector Coordination Committee, chaired by the health minister, meets twice a year to endorse key reports and recommendations and inform participants of key decisions related to the sector (Williamson et al 2008). The health sector in Ghana also has a bi-annual summit (Republic of Ghana, 2008).

5 Areas of overlap and common challenges for domestic and mutual accountability for aid

5.1 Areas of potential overlap

62. There is a lack of literature regarding the potential overlaps and linkages between domestic and mutual accountability. However, this literature review reveals that there is considerable potential for overlap between the two. Both forms of accountability revolve around working to hold decision-makers to account for their aid commitments, and in both the principles of transparency, answerability and enforceability are key.
63. In addition domestic and mutual accountability share overlaps in terms of the following:
- **The actors involved:** As the literature review reveals, domestic accountability for aid involves the participation of a wide range of domestic actors beyond the government level, including parliaments, CSOs, parties and audit institutions which exercise oversight over aid and development policies. Mutual accountability mechanisms, in contrast, mainly involve state actors, but increasingly aim to work with actors outside the governments, with a view to broadening both accountability and ownership, in line with the Accra Agenda.
 - **The focus of accountability:** both are concerned with improving the effectiveness of aid and other development resources to deliver development results and contribute to poverty reduction.
 - **The arena/locus of accountability:** Domestic accountability is more structured around permanent rules and mechanisms of oversight, checks and balances. In contrast, the arena of mutual accountability tends to be shaped with each agreement, and monitoring or review mechanism. But both include in-country aspects, although mutual accountability also operates at the international level.
64. The literature also reveals some potential areas of synergy between domestic and mutual accountability. For example, the workings of mutual accountability might generate information, stimulate dialogue and shape behaviours in ways that feed into strengthened domestic accountability. An example of this dynamic can be seen for instance in databases which provide information on aid flows (both commitments and disbursements). As indicated above, examples such as the Cambodia Database, provide information on Paris Declaration indicators as well (Steer et al 2009). To date, one of the most developed aid databases is Mozambique's, commonly referred to as 'ODAMOZ'. Similarly in Mali, the EC and a pool of donors have provided an annual report with detailed information about aid disbursements by sector, by instrument and by region, since 2006 (Meyer and Shulz 2008: 19). This allows domestic accountability actors to know what resources the executive has to spend, something that is essential for domestic accountability for the use of aid.
65. At the same time, developments in domestic accountability might generate information, leading to greater dialogue and potential behaviour changes that in turn strengthen mutual accountability. The examples given above of CSO involvement in budget and aid monitoring for

domestic accountability might all generate findings which can feed into mutual accountability mechanisms.

5.2 Common challenges

66. Despite growing consensus around the importance of both domestic accountability for aid, evidence to date suggests that domestic accountability (and within it, accountability for aid) remains weak in many developing countries. At the same time, despite commitments at Paris and Accra, overall there has been a lack of progress on implementing mutual accountability. This section sets out some of the key challenges for domestic and mutual accountability for aid, structured around the three core dimensions of accountability (transparency, answerability, and enforceability).

Transparency

67. In reference to domestic accountability, Hudson argues that “Citizens require information to know what the state is accountable for – what commitments it has made – and to know how the state has performed in relation to meeting those commitments” (Hudson 2009a: 17). Droop et al (2008) have posited that information is therefore the ‘currency of accountability’. The lack of transparency for aid, where donors do not report timely information and where aid is not recorded on budget, has undermined the ability of a number of domestic accountability actors to hold decision-makers to account.

68. Recipient governments and donors committed to improve transparency around aid, budget processes and financial management systems under the Paris Declaration. But a Eurodad (2008) report found that much of this transparency is still focused upwards to donors. Poor access to information has limited the ability of CSOs and others to track government revenue and expenditure (Ibid). For example, Eurodad highlights the “opacity of the budget process” in many countries: in Cambodia, key budget documents such as monthly budget implementation reports, mid-year reviews and national Audit Authority reports are kept confidential; in Niger, the lack of a legal framework for access to information has proved to be a major obstacle to transparency. More positively, in Sierra Leone the national budget has been available online since 2007 and the use of Public Expenditure Tracking Surveys has helped improve flow of information (Eurodad 2008: 49-50). And in Rwanda there has been interesting progress in making national accounts more open (Box 7). Overall, the political context in developing countries will impact on the levels of transparency and access to information for domestic accountability for aid.

69. Similarly, transparency and access to quality, accessible information on development result, development assistance and performance against aid effectiveness commitments are seen as essential for mutual accountability. To this end, countries and donors have established aid databases and monitoring tools such as progress reports and surveys. However, many of these exercises are carried out on an ad hoc basis and/or are “unable to sufficiently provide data on the entire results chain” (Steer et al 2009). Concerns about the quality of data produced have also been raised (World Bank, 2007). Furthermore, some do not provide the detail of data necessary to hold individuals to account. For example, the Mozambique Performance Assessment Framework – while considered to be one of the most advanced PAFs – does not

disaggregate donor scores by target. Similar challenges have been reported in Cambodia, Laos and Viet Nam – where donors have been resistant to *individual* commitments, preferring instead to be assessed as a collective (Joint Initiative on Mutual Accountability, 2008).

Box 7: Transparency for aid in Rwanda

Rwanda provides an interesting example where government action has created a more enabling environment for transparency and accountability. In 2008, the government of Rwanda compiled a consolidated list of national accounts which included all aid to the government sector in 2007 (including aid administered by the government, donors or third parties). This helped to reveal the under-reporting of aid on budget and discrepancies with aid databases (AWEPA 2008: 36).

Answerability and Enforceability

70. While political context sets the parameters for transparency, it arguably has the biggest impact on the potential for answerability and enforceability in terms of domestic accountability. In contexts where the executive is dominant, or where external actors have high levels of influence over national policymaking, domestic accountability actors will find it more challenging to hold governments' to account including for aid. According to an African Governance Report, only one third of African legislatures were seen as largely free from control of the executive in all major areas of legislation; and more than half were seen as under various degrees of subordination in major areas of legislation. Namibia, South Africa and Ghana were viewed as the least subordinate; whereas Swaziland, Kenya and Ethiopia were seen as the most (cited in Hudson 2007: 2). In the context of aid, this means that it is difficult for parliaments to challenge the executive on aid agreements and the use of aid.
71. Executive dominance also weakens the ability of other domestic accountability actors to hold the executive to account. For example, the extent to which the media is able to scrutinise the use of aid reflects the political context in which it operates (Hudson 2009a: 18). Ornerrt and Hewitt highlight that in a wide number of countries, including Equatorial Guinea, Eritrea and Zimbabwe, authoritarian governments may use legal pressure, imprisonment and harassment to prevent or undermine independent media outlets (Ornerrt and Hewitt 2006: 23). Similarly, the ability of CSOs to have voice and to influence accountability, including accountability for aid, has been circumscribed by context (Rocha Menocal and Sharma 2008).
72. Another key challenge for domestic accountability for aid is the predominance of informal systems and practices. For example, the interaction between formal and informal practices has been shown in relation to budget processes in Malawi, where respect for formal rules and procedures coexist alongside informal practices, but are subordinated to the latter which are more important in determining how budget resources are actually distributed (Rakner et al 2004). Many domestic accountability actors may be reliant on formal rules which govern their ability to hold the executive to account for aid, but informal practices may mean that in practice they are subverted.
73. If political context is a key factor in deciding the 'enabling environment' for accountability for aid, this helps to explain why the introduction of newer aid modalities, designed to increase domestic accountability for aid, have still been criticised for their accountability weaknesses. For example, Poverty Reduction Strategy Papers (PRSPs) were developed to facilitate broader consultation by recipient countries on their national development strategies. In practice,

reviews have shown that PRSPs include only limited involvement of domestic accountability actors. For example, parliaments are rarely included in PRSP decision-making. In Niger, the first PRSP was presented to parliament 'for observation' after it had been approved by the World Bank and IMF; the second PRSP presented to parliament was 'for information' after approval (Eurodad 2008: 26).

74. Political context can also constrain the extent to which domestic accountability actors can use sanctions where decision-makers are not deemed to have fulfilled their commitments. The ultimate sanction in democratic systems is elections, yet these also reflect political context and as recent elections in Kenya, Zimbabwe and Iran have highlighted, incumbent governments will use intimidation and violence when their power is threatened (Sharma 2009). Moreover, it is unclear whether voters themselves are likely to base their electoral choice on accountability for aid.
75. At the same time, a lack of capacity and negative incentives for domestic accountability actors themselves also undermines the extent to which enforceability can be achieved. A 2004 review of legislatures in Latin America, for example, found that "Capacity constraints and information asymmetries tend to explain why parliaments do not exercise their budgetary powers effectively, while governance constraints and the nature of executive-legislative relations tend to explain why they sometimes do not exercise them responsibly" (Santiso 2004, cited in de Renzio 2006: 638). In many African countries, parliaments' powers may be ill-defined (or not defined at all) particularly regarding engagement with issues such as budgetary processes. This can lead to parliamentary budget processes being largely symbolic (UNECA 2005, cited in Mfunwa 2006: 11).
76. The incentives for domestic accountability actors themselves – linked to political context – may limit the extent to which these actors seek to enforce accountability for aid. Booth questions whether national strategies will be more politically owned within countries if there are greater efforts to engage parliaments and civil societies in their formulation and monitoring (Booth 2008: 2). He reminds us that there is mixed evidence of the impact this might have, not least because "parliaments and civil societies face incentives that are hardly less binding, and not always more conducive to progressive policy actions, than those motivating presidents and ministers" (Ibid.). For CSOs and others, promoting greater accountability for aid may not be the overriding ambition. A review in Mozambique and Nepal found that a proliferation of CSOs did not necessarily reveal the strength of the political system, as many groups (such as NGOs) were in reality "little more than personal enterprises" or vehicles for receiving funds (Rocha Menocal and Sharma 2008: 26).
77. Some similar, or related challenges, are also visible when examining emerging mutual accountability mechanisms. Accountability relations in mutual accountability systems are premised more on voluntary participation, on which the nature of the relationship is based on trust and reciprocity, more so than oversight and sanctions. This means that the nature of power relations at the country level will have an impact on the effectiveness of enforceability. Where there are asymmetries in the balance of power between the different actors in the mutual accountability system, and specifically in relation to the relationship between donors and recipients, mutual accountability is likely to be hampered (Third International Roundtable on MfDR 2007). The enforceability principle is further hampered by the voluntary nature of

mechanisms, and the lack of ‘hard’ sanctions for non-compliance. While it is hoped that regular dialogue, a common agenda and a desire to maintain one’s reputation and relations will induce both sides to honour their commitments, in some situations, these “soft” incentives have proven insufficient to date.

78. At the same time, recipient governments have few mechanisms for holding donors to account for poor performance. Although there are anecdotal cases where governments have refused assistance, in general recipients are limited to “naming and shaming”. One country, for example, sends out thank you letters after joint meetings, acknowledging the positive contributions by some while also listing donors that have yet to comply with government requests (Steer et al 2009). However, even this form of sanctioning can be politically difficult. Steer et al (2009) report cases where government officials have deferred to positive self assessments by donors even when they disagree with the findings. Related to this, governments have few mechanisms to push agendas beyond what donors are willing to accept. Debt Relief International (2008) reports that most countries have been unable to ensure that results are used in donor coordination meetings to agree on changes to donor behaviour; to set clear targets for individual donors; or to make sure that mutual accountability mechanisms fully reflect their priorities by setting indicators that go beyond the Paris Declaration in ambition or breadth.
79. Given that they control resources, donors are in a better position to hold recipient governments to account. However, donors are often reluctant to sanction recipients by withholding aid due to headquarter pressure to disburse funds, a desire to maintain good relations with countries of strategic importance and recognition that a predictable flow of funds is essential for development. In fact, a four country review found that the EC disbursed between 65 and 75 percent of its budget support variable tranche to each country despite significant variations in performance (European Commission 2005).
80. Donor commitment to mutual accountability is potentially also undermined by a range of incentives and institutional constraints, including centralised decision making structures, pressure to demonstrate short term, donor-attributable gains and legal impediments to the use of country systems (Eyben 2008; Steer et al 2009; Wood et al 2008). In particular, the pressure to disburse funds, the limited time for staff to devote to coordination and the high turnover in staff “create incentives that reward short term benefits over long term, and collective, gains” (Steer et al 2009). Similarly, lack of delegation of authority from headquarters can prevent country offices from fully honouring mutual accountability commitments. According to the OECD (2008b), “if incentives are to shift across the board, there will be a need for sustained senior management leadership and commitment, clearly communicated guidance and priorities, performance management [and] delegation of authority to the country level”. Some of these practices are already being put in place. For example, the Danish government reviews each embassy’s implementation of the Paris Declaration (Steer et al 2009). And, according to the DAC Peer Reviews, a number of donors have incorporated Paris Declaration principles into their policy documents (OECD, 2008d). The OECD (2008c) also reports that a number of donors have taken significant steps to increase decentralisation.
81. However, donors are first and foremost accountable to their own constituents (see Box 8 or Lancaster 2007). Therefore, if constituent preferences and interests are not aligned with the

principles of mutual accountability mechanisms, donor ability to implement agreed to commitments may be compromised. According to research by Steer et al (2009) these challenges “can in part be overcome by: increasing the level of independent analysis; enhancing parliamentary and NGO involvement; and making sure that there is sufficient public awareness of agreements and aid flows.” Recipient governments may also face similar accountabilities to their stakeholders.

Box 8: Donor accountability to their own constituents

Donors are first and foremost accountable to their own constituents. From a MA perspective, these constituents will ideally encourage improved donor effectiveness. However, these relationships also have the potential to undermine mutual accountability to the extent that donor constituents are unaware of, or in disagreement with, aid effectiveness principles. To this end, a number of donors have taken steps to increase public – particularly parliamentary – awareness of aid effectiveness and its importance for development. For example, according to the OECD (2008d), “in Sweden and the United Kingdom, the annual report to parliament contains a section on aid effectiveness”, the Netherlands “specifically refers to the Paris targets when presenting the budget for development co-operation to parliament” and “in Denmark, the Ministry of Foreign Affairs facilitates visits by members of parliament to partner countries so they can better understand the technical issues of aid delivery.”

82. Ownership of aid effectiveness commitments and development agendas is vital for the success of mutual accountability. Yet the extent to which all stakeholders are included in the formulation of strategies varies. Joint Assistance Strategies, for example, are often driven by donors (Linn 2009). Moreover, some mechanisms are restricted to a sub-group of actors, limiting their potential impact. At the same time, though, there are also arguments for limiting the number of stakeholders. Such a cap can, for example, make it easier to come to more potent agreements. Steer et al (2009) report instances where the inclusiveness of national development strategies and aid effectiveness agreements has led to what some signatories consider to be compromise documents.
83. Finally, the issue of capacity is important in shaping the quality of mutual accountability. The capacity of both recipient governments and donors to generate shared agendas, monitor progress and engage in dialogue and negotiation (Third International Roundtable on MfDR, 2007; Steer et al 2009) is important in mutual accountability. Yet the capacity of these actors - ranging from the technical skills needed to formulate policies and gather evidence to the political skills needed to engage in quality dialogue and push the agenda forward - is often insufficient. Capacity shortages are a particular concern for recipient governments. The capacity of mutual accountability mechanisms themselves also requires strengthening. For example, in Cambodia it is reported that currently only a third of sector working groups are fully functional, though a further one third are reported to be improving. According to Blunt and Samneang (2005), the success of these groups depends in part on: “the interpersonal skills and capabilities of the chair; the calibre and commitment of all members; the personal dynamics between members and the atmosphere or culture created by this; the history of cooperation in the sector; the clarity of understanding in the ministries involved as to the purpose and nature of TWGs; and the absence of political contention”.
84. There are, then, some common themes in terms of the challenges for domestic and mutual accountability. First, the quality and availability of information on aid flows and development

policy is a key variable that is central to almost all dimensions of the accountability systems. Second political context is crucial to understanding the nature of power relations that determine how the different actors are positioned in respect of one another and the incentive structures and political agendas. Third, capacity issues will affect the ability of the relevant actors in accountability systems. There are also some key differences – mutual accountability is more focused on the specific mechanisms and how they might be strengthened, whereas domestic accountability for aid is linked to broader processes of domestic accountability.

6 Conceptual framework: Domestic and Mutual Accountability - Building stronger synergies

84. This section develops a conceptual framework to map out the “missing links” between the theory and the practice of domestic accountability and mutual accountability systems. It draws on the findings of the literature review, and provides an analytical mapping for future case study research.

6.1 Summary of literature review

85. The following table (Table 1) outlines the key findings from the literature review on the differences, similarities and potential points of overlap between mutual accountability and domestic accountability for aid, in relation to the five questions on the different dimensions of accountability systems.

Table 1: Summary of literature review

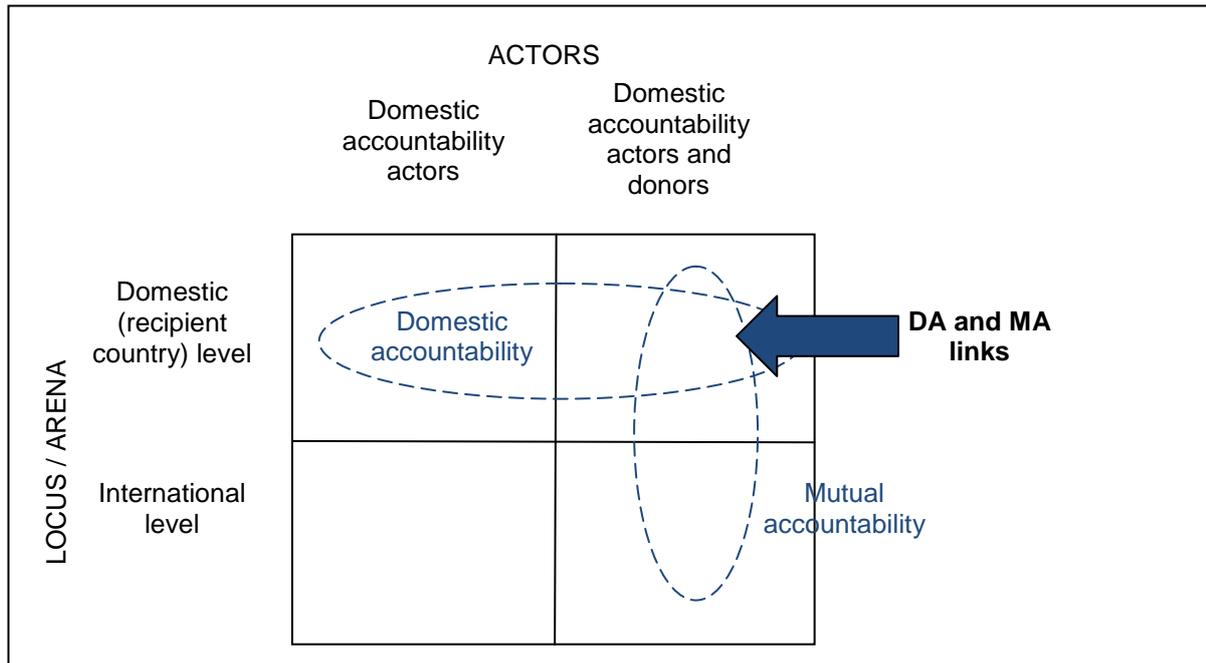
Dimensions of accountability	Domestic Accountability [for aid]	Mutual Accountability
<p>Who is being held to account?</p> <p>Who is holding them to account?</p> <p><i>= actors in the accountability relationship</i></p>	<p>States (executives) being held to account by citizens - through a number of actors which play a variety of accountability roles:</p> <ul style="list-style-type: none"> • Parliaments • Political parties • CSOs • Media • Electorate • Audit agencies 	<p>As set out by the PD and the Accra Agenda for Action, mutual accountability is about recipient states and donor countries holding each other to account.</p> <p>Increasingly mutual accountability is about going beyond government and integrating other actors in the relationship of accountability, notably through more engagement with parliaments and CSOs.</p>
	<p>Potential overlaps and possible challenges:</p> <ul style="list-style-type: none"> • Overlaps and synergies: There are some common actors for mutual and domestic accountability (namely the executive is held to account in both) although domestic accountability looks inward (to parliaments, civil society and other actors) whereas mutual accountability looks outward to include donors. Overall, both forms of accountability are increasingly focused on broadening the scope for participation and the inclusion of a wider range of actors in relation to aid effectiveness and development policies generally. 	

	<ul style="list-style-type: none"> Tensions or challenges: There are some common challenges, in terms of power asymmetries between actors at both the domestic and mutual level. There is a danger that mutual accountability encourages greater 'upwards' accountability to donors, further reinforcing weaknesses in domestic accountability. 	
<p>What are they holding them to account for?</p> <p>= <i>focus/purpose</i></p>	<p>Holding governments to account for their use of aid and implementation of aid programs.</p>	<p>Donors and recipient governments holding each other to account for performance and results to development and aid effectiveness in relation to joint commitments engaged through voluntary agreements around shared agendas</p>
	<p>Potential overlaps and possible challenges:</p> <ul style="list-style-type: none"> Overlaps and synergies: Both mutual and domestic accountability for aid are concerned with the effective use of aid and other development resources to deliver better development results and poverty reduction. Better information and dialogue between actors is likely to enhance progress on reaching consensus and concrete policy agreements about aid, and achieving better development results. Challenges and tensions: As above, recipient country governments may prioritise being answerable to donors over being accountable to their constituents for aid policies, negatively impacting on domestic accountability relationships. At the same time, domestic accountability actors may be responding to a range of agendas, in which aid and development results are one of many other objectives. 	
<p>Where are they holding them to account?</p> <p>= <i>arena</i></p>	<p>Various formal and informal institutions at the national level and local levels including through:</p> <ul style="list-style-type: none"> Horizontal accountability whereby one state actor holds another to account (e.g. executive held to account by legislature or by supreme audit agencies). Vertical/social accountability mechanisms between states and their citizens (e.g. citizens hold government to account through elections, media control, CSO activism). 	<p>Various formal and informal institutions at the national and international levels in connection to shared and agreed agendas:</p> <ul style="list-style-type: none"> Development strategies (at national, programme sector level) Aid effectiveness agreements Monitoring and review mechanisms Forums for dialogue and negotiation.
	<p>Potential overlaps and possible challenges:</p> <ul style="list-style-type: none"> Overlaps and synergies: Both domestic and mutual accountability occur at the country level, although mutual accountability also encompasses international mechanism. There are also growing overlaps in light of increasing efforts to make both domestic and mutual accountability more inclusive and participatory. Challenges or tensions: Potential tension may arise where mutual and domestic accountability utilise dual systems, which co-exist with few synergies or linkages made. 	
<p>How are they holding them to account?</p> <p>= <i>process</i></p>	<p>Process is central to the legitimacy of the domestic accountability relationship</p> <ul style="list-style-type: none"> <i>Transparency</i> <ul style="list-style-type: none"> Availability of information <i>Answerability</i> (of executive/donors) 	<p>Process defined more on a case by case basis</p> <ul style="list-style-type: none"> <i>Transparency</i> <ul style="list-style-type: none"> Availability of information <i>Answerability</i> (of donors and recipient governments to each other)

	<ul style="list-style-type: none"> - Oversight and review roles (parliament, parties, CSOs, media, electorate, audit agencies) - Scrutiny (media, CSOs, electorate) - Representation - Debate/ dialogue/ participation • <i>Enforceability</i> (sanctions) <ul style="list-style-type: none"> - soft (reputational, political survival) - hard (electoral defeat, impeachment and prosecution if related to corruption issues) 	<ul style="list-style-type: none"> - Monitoring and review mechanisms - Debate / dialogue/ negotiation • <i>Enforceability</i> (Sanctions) <ul style="list-style-type: none"> - soft, mostly reputational - hard sanctions rarely applied (conditionality), and unbalanced between actors <p>mutual accountability systems are also more explicitly premised on mutual trust and reciprocity</p>
<p>Potential overlaps and possible challenges:</p> <ul style="list-style-type: none"> • Overlaps and synergies: The key point of overlap between domestic and mutual accountability lies in the central importance for both of the availability and quality of information about aid and its results. • Challenges or tensions: The mechanisms and forms of answerability and enforceability tend to be different for mutual and domestic accountability (although not necessarily in tension with one another). In mutual accountability, answerability is very much defined by the particular mechanism in place (e.g. monitoring, review or dialogue) whereas in domestic accountability, the mechanisms of oversight are largely a function of how effectively the checks and balances in the governance system operate, and can include a broad spectrum of sanctions (from soft sanctions such as the reputational costs of non-compliance, to hard sanctions such as electoral defeat or judicial investigation). In mutual accountability, based on mutual trust and reciprocity, sanctions are generally soft (e.g. reputational costs of non-compliance with agreed commitments). In both domestic and mutual accountability, the process of accountability can be affected by: the quality and availability of information; capacity of the different accountability actors; incentives structures to which different accountability actors respond, shaped by political context. 		

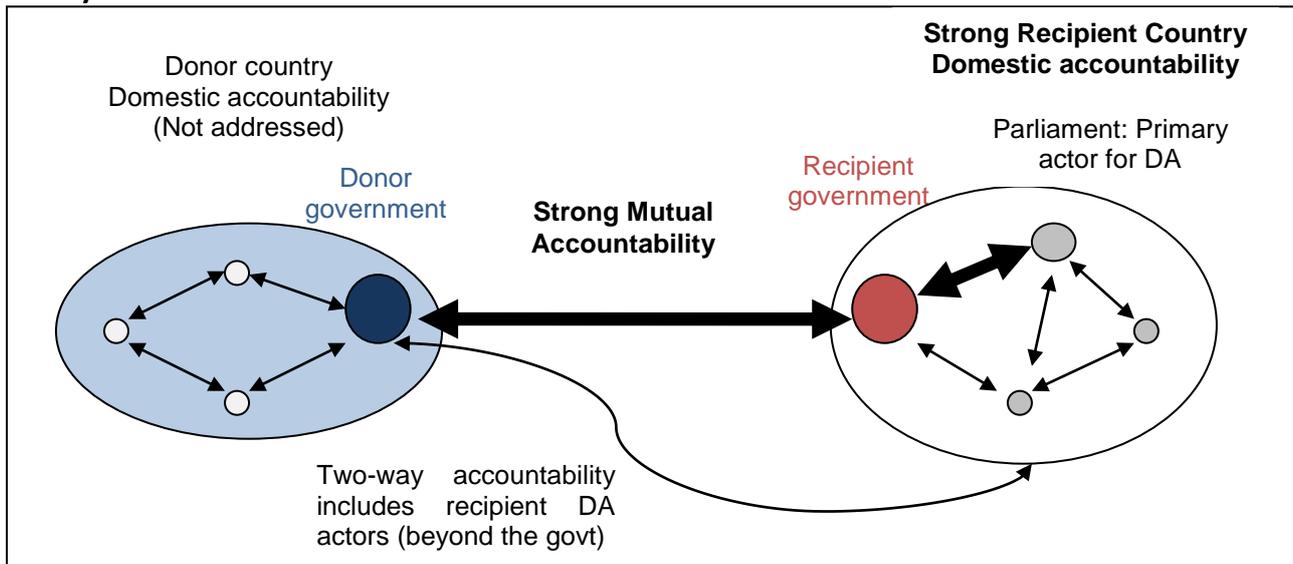
6.2 Analysing the interface between domestic accountability and mutual accountability

86. From the literature review it is evident that there is sufficient overlap in terms of actors, focus and arena between mutual and domestic accountability to warrant exploration of potential synergies. The purpose of the case studies is to further explore the potential synergies, and areas of tension, between the two. Thus, as illustrated in Figure 2 below, the case studies should focus on understanding the dynamics behind the shape of the ellipses, and how they might change to increase the quality of the area of overlap. As discussed in the case studies methodology, it is premature to pre-empt the specific actors or arenas that will be focused on at this stage. Annex 1 provides a preliminary mapping of emerging systems of mutual accountability for aid which provide a useful starting point, but the variability of the experiences suggests that an inductive method of research (working from the cases up to identify good practices and lessons learned) may be appropriate.

Figure 2: Convergence between domestic mutual accountability for aid*Domestic and mutual: the model in theory*

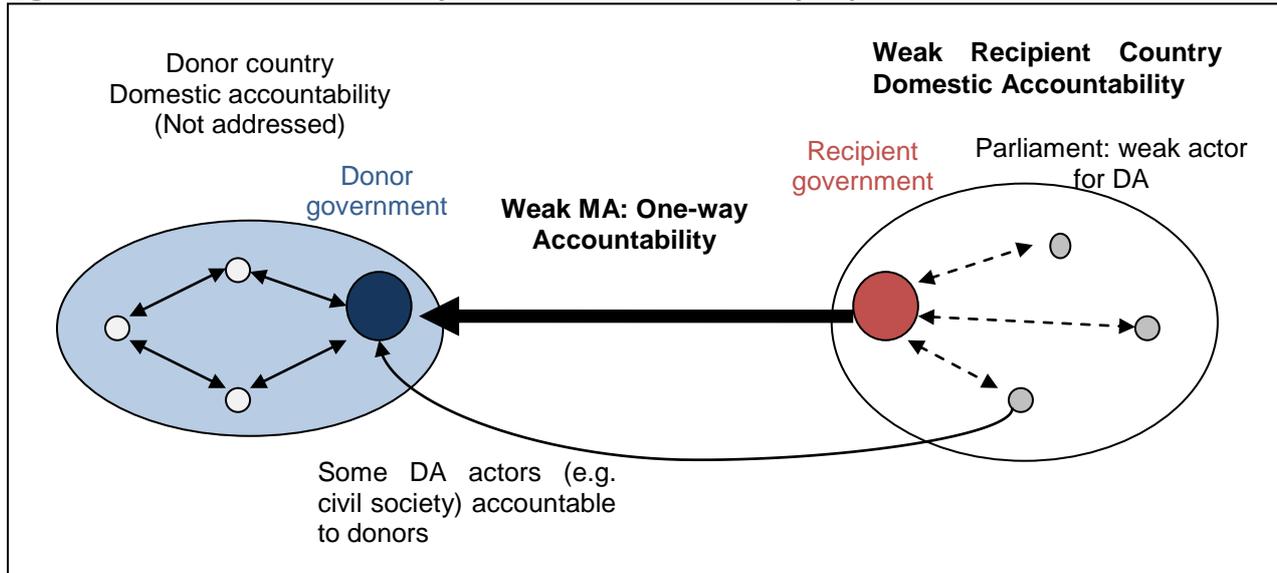
87. Drawing on our analysis of the literature, we can begin to understand what the relationship between domestic accountability and mutual accountability might look like in theory. The underlying premise is that domestic and mutual accountability should be complementary and work in ways which are mutually reinforcing with a view to achieving progress on aid effectiveness and development results. Figure 3 below outlines the relationship in theory. In this scenario, strong mutual accountability enables stronger domestic accountability (for instance, by broadening the participation in mutual accountability mechanisms to domestic stakeholders beyond the recipient country government), which in turn further strengthens mutual accountability (for instance through improving the quality of the dialogue on aid and development); the combination of mutual and domestic accountability drives faster progress in terms of development results. The process of convergence involves greater levels of inclusion and voice, which enables convergence around common development goals. This also facilitates better incentive structures for buy-in and commitment across a broader range of actors around a common purpose. A key component of success is the flow and quality of information, how it is generated and shared at the different levels of the accountability system. The Paris Declaration provides a useful example of this, as it calls on donors to provide timely, transparent and comprehensive information on aid flows, thus enabling executives in developing countries to report fully on budgets to their parliaments and citizens, which allows for enhanced domestic accountability. Conversely, another example would be where domestic accountability actors generate information about development results, and the contribution that aid has made, enabling them to hold their own government to account and strengthening the evidence base for mutual accountability.

Figure 3: The interaction between domestic accountability and mutual accountability in theory



Domestic and mutual accountability: the relationship in practice

88. However, as our literature review also shows, the reality of this relationship in many developing countries is often far removed from this 'theoretical' model. Mutual accountability can to date largely be seen as weak and is often characterised by the dominance of 'one way' accountability from recipient governments to donors, as power imbalances and a lack of enforceability have limited the extent to which recipient country governments can effectively hold donors to account. This might for instance encourage donors: to tie aid; to provide technical assistance in ways that do not respond to local needs; to deliver aid in an unpredictable manner; to make less use of developing countries' systems for Public Financial Management than their quality warrants. An additional example might be the failure of donors to provide transparent and timely information about aid, limiting the ability of parliament and other domestic actor in developing countries to hold the executive to account for the use of that aid. These practices can undermine domestic accountability in developing countries, leading to tensions rather than synergies between mutual and domestic accountability. This is depicted in Figure 4.

Figure 4: Domestic accountability and mutual accountability in practice

89. Further research is now needed to better understand how these linkages and tensions are configured in different country settings, and to develop policy proposals for strengthening the potential synergies between mutual and domestic accountability for aid – and ultimately moving further from the reality and towards the ‘ideal’. We still know very little about how to enhance, in practice, synergies between domestic and mutual accountability, and the evidence base about the relationship between domestic and mutual accountability is practically non-existent, with in-depth research on mechanisms for mutual accountability, in particular, in its infancy. However, as the evaluation of the implementation of the Paris Declaration notes, while mutual accountability is a complex puzzle, “more pieces of the puzzle are actually at hand than is generally assumed. In fact, they are already being used to varying degrees” (Wood et al 2008). Thus, transforming the dynamics of domestic accountability and mutual accountability so that they work in harmony rather than at cross-purposes is likely to mean:

- Making domestic accountability more robust with an eye to how it can feed into better and more balanced mutual accountability.
- Strengthening and balancing mutual accountability with an eye to how it can feed into building up domestic accountability for aid.

90. Fundamentally, building up the relationship between mutual and domestic accountability for aid entails ensuring that the information generated and exchanged in – and the behaviours shaped by – one set of accountability relationships enables the effective functioning of the other set of accountability relationships.

91. From this there are three sets of questions that might be explored to see how best to build the synergies between mutual and domestic accountability:

- First, whether – and how - the workings of mutual accountability might generate information, stimulate dialogue and shape behaviours in ways that feed into strengthened domestic accountability.

- Second, whether the workings of domestic accountability might generate information, stimulate dialogue and shape behaviours in ways that feed into strengthened and more balanced mutual accountability.
- Third, whether the workings of domestic and/or mutual accountability can themselves be transformed, building the synergies between the two sets of accountability relationships.

7 Case study framework

92. This section develops a preliminary case study framework to guide case study research into the interface between domestic and mutual accountability.

7.1 Scope

93. The key objective of the case studies is to stimulate dialogue and share experiences (in-country and through forums including the OECD-DAC and the Working Party on Aid Effectiveness) regarding how to progress towards the realisation of potential synergies between domestic and mutual accountability for aid in order to enhance aid and development effectiveness.

94. In order to study the interface between mutual and domestic accountability, the case studies will focus on the degree to which (and how) different accountability systems generate information, stimulate dialogue and change behaviour in connection to aid and development policies in ways that strengthen and build positive synergies between them. For the purposes of the study, the scope of the research may focus on how information is generated and shared, and its impact on the quality of accountability, and the synergies between mutual and domestic systems.

95. The case studies are intended to shed light on in-country processes of exploring and thereby advancing how synergies between domestic and mutual accountability might be strengthened. The intention is also for this to contribute to an emerging knowledge base of country experiences on good practice regarding the interface between domestic and mutual accountability.

96. The following should be considered as key starting points for the case studies:

- Accountability systems are ultimately the outcome of context specific processes. The variability in domestic and mutual accountability at the level of country practices – and the interaction between these - will result from context specific political dynamics. This means that it may not be possible to develop ‘blueprints’ that can be extrapolated to other contexts. However, the research findings should be able to shed light on country specific experiences of emerging good practices and synergies, and identify recurrent constraints, tensions, dilemmas and success factors that can provide useful learning and knowledge exchange for similar contexts. Thus, this report suggests an inductive approach to case study research (working from the case study up).

7.2 Criteria and entry points for case studies

97. Given that we are dealing with fluid and still-emerging practices around accountability for aid, with a wide variety in terms of the potential overlaps between mutual and domestic accountability systems, cases should be selected to reflect a range of experiences. There is still very limited information about the *real* dynamics of accountability for aid, and less about the interface between the mutual and domestic systems.⁷ Thus, there needs to be a degree of flexibility about what should be the focus of analysis, to be decided through consultation with the partner countries, and the initial mapping exercise. The case studies may include both on and off budget aid:

- On-budget aid, where the focus of the research may be on the different stages of the aid management cycle with regard to the budget process, and how different accountability domains interact, (from both the domestic and mutual ends of the equation).
- Off-budget aid, where the focus of the research may be on the different stages of the aid management cycle with respect to particular sectors or aid programmes.

98. Whatever the focus of the research, entry points could include one or more of the three stages of the aid management cycle: planning, implementation and/or monitoring. The specific entry point will be decided in consultation with the developing country actors. For example, for planning, a case study may focus on the development of national development strategies, and the input and interaction between domestic and mutual accountability actors and mechanisms in shaping the process. For monitoring a case study might examine the role of civil society in monitoring donor and executive aid commitments or joint evaluations of donor and recipient government's development programmes. In terms of actors, the case studies will focus on the relevant actors for domestic and mutual accountability – to be determined by the entry point and issue in question – namely, recipient government executives, donors, parliaments, parties and/or civil society organisations.

7.3 Research questions to guide each case study

99. Research questions for each case study could include:

- What is the nature and quality of domestic accountability for aid in place (identifying actors/purpose/arena and process, including formal and informal institutions)?
- What is the nature and quality of mutual accountability systems (identifying actors/purpose/arena and process, including formal and informal institutions)?

⁷ Although mutual accountability continues to be a complex and evolving puzzle as noted by the evaluation of the implementation of the Paris Declaration, we can now speak of a range of emerging – albeit highly variable - systems of accountability for aid (Woods et al 2008).

- What are the areas of overlap, potential tensions and possible synergies between domestic and mutual accountability, particularly in connection to how information is generated to enhance aid effectiveness?
 - Do the workings of domestic accountability generate information, and in what ways might this feed into strengthened and more balanced mutual accountability?
 - Do the workings of mutual accountability generate information, and in what ways might this feed into strengthened domestic accountability?
- What are the challenges and success factors that shape the interface between the two?
- What policy recommendations can be inferred from the findings to enhance the synergies between domestic and mutual accountability for the case at hand?

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9 Annex 1

Table: Preliminary information on Commonwealth Countries

Commonwealth countries	Commonwealth countries participating in the 2008 Monitoring Survey	Commonwealth countries with Commonwealth donor participating in 2008 Monitoring Survey	Commonwealth country recorded as having an MA mechanism (indicator 12) [according to survey]	Geographic location	Update on progress 2009	2008 Monitoring Survey score for PD Indicator 1 (operational development strategies)	Aid dependency (Net ODA as % GNI in 2007)
Antigua and Barbuda				Caribbean			0.4%
Australia							
The Bahamas				Caribbean			
Bangladesh	Yes	Yes (Australia, Canada, UK)	No	Asia	<p>Bangladesh has in place a National Strategy for Accelerated Poverty Reduction.</p> <p>There is a Harmonisation Action Plan in Place</p> <p>A Government of Bangladesh – Donor Joint Cooperation Strategy is to be developed. The aim of the joint cooperation strategy would be to have a national framework based on the Government's Poverty Reduction Strategy that follows the Paris principles of country ownership, alignment with national plans, mutual accountability, results-focus and harmonisation. Progress?</p>	C	2.1%
Barbados				Caribbean			
Belize				Central America			2.0%
Botswana				Southern Africa			1.0%
Brunei Darussalam				Asia			

Commonwealth countries	Commonwealth countries participating in the 2008 Monitoring Survey	Commonwealth countries with Commonwealth donor participating in 2008 Monitoring Survey	Commonwealth country recorded as having an MA mechanism (indicator 12) [according to survey]	Geographic location	Update on progress 2009	2008 Monitoring Survey score for PD Indicator 1 (operational development strategies)	Aid dependency (Net ODA as % GNI in 2007)
Cameroon	Yes	Yes (Canada, UK)	No	Middle Africa	Cameroon has a national plan in place to implement the PD. A special unit in the Ministry of Economy has been set up to follow up and move implementation forward. This includes putting in place functional MA mechanisms in 2009.	C	9.4%
Canada							
Cyprus							
Dominica				Caribbean			6.3%
Fiji Islands				Oceania			1.7%
The Gambia				West Africa			12.1%
Ghana	Yes	Yes (Canada, UK)	Yes	West Africa	Ghana has a Growth and Poverty Reduction Strategy in place (GPRS II). There is a PAF in place. Aid policy underway, Ghana Harmonization Action Plan, Consultative Group and Joint working groups considered robust.	B	7.6%
Grenada				Caribbean			4.5%
Guyana				South America			12.4%
India				Asia			0.1%
Jamaica				Caribbean			0.3%
Kenya	Yes	Yes (Canada, UK)	No	East Africa	Kenya Joint Assistance strategy (KJAS) - includes a commitment on mutual accountability. Follow-up?	C	4.3%
Kiribati				Oceania			20.6%

Commonwealth countries	Commonwealth countries participating in the 2008 Monitoring Survey	Commonwealth countries with Commonwealth donor participating in 2008 Monitoring Survey	Commonwealth country recorded as having an MA mechanism (indicator 12) [according to survey]	Geographic location	Update on progress 2009	2008 Monitoring Survey score for PD Indicator 1 (operational development strategies)	Aid dependency (Net ODA as % GNI in 2007)
Lesotho				Southern Africa			6.6%
Malawi	Yes	Yes (Canada, UK)	Yes	East Africa	Malawi has a Growth and Development Strategy (MGDS II) in place. There is a Development Assistance Strategy Action Plan (PRS)	C	20.8%
Malaysia				Asia			0.1%
Maldives				Asia			3.8%
Malta							
Mauritius				East Africa			1.2%
Mozambique	Yes	Yes (Canada, UK)	Yes	East Africa	Mozambique has a poverty reduction plan in place, <i>Plano de accao para a Reducao da Pbreza Absolutga (PARPA II)</i> Donor PAF / poverty monitoring in place Has a Development Observatory which among other things, monitors the implementation of the PRSP and includes civil society participants. Aid database in place (ODAMOZ)	C	26.3%
Namibia				Southern Africa			3.1%
Nauru				Oceania			
New Zealand							
Nigeria	Yes	Yes (UK)	No	West Africa	Donors engage mainly with "states" - are the MA mechanisms in place at "state" - level?	C	1.4%
Pakistan				Asia			1.5%

Commonwealth countries	Commonwealth countries participating in the 2008 Monitoring Survey	Commonwealth countries with Commonwealth donor participating in 2008 Monitoring Survey	Commonwealth country recorded as having an MA mechanism (indicator 12) [according to survey]	Geographic location	Update on progress 2009	2008 Monitoring Survey score for PD Indicator 1 (operational development strategies)	Aid dependency (Net ODA as % GNI in 2007)
Papua New Guinea	Yes	Yes (Australia, New Zealand)	Yes	Oceania		N/A	5.7%
St Kitts and Nevis				Caribbean			0.6%
St Lucia				Caribbean			2.6%
St Vincent and the Grenadines				Caribbean			
Samoa				Oceania			7.8%
Seychelles				East Africa			0.4%
Sierra Leone	Yes	Yes (UK)	No	West Africa	Upcoming aid policy is an opportunity to advance commitments on mutual accountability.	C	32.7%
Singapore				Asia			
Solomon Islands				Oceania			67.3%
South Africa				Southern Africa			0.3%
Sri Lanka				Asia			1.8%
Swaziland				Southern Africa			2.1%
Tonga				Oceania			4.9%
Trinidad and Tobago				Caribbean			0.1%
Tuvalu				Oceania			

Commonwealth countries	Commonwealth countries participating in the 2008 Monitoring Survey	Commonwealth countries with Commonwealth donor participating in 2008 Monitoring Survey	Commonwealth country recorded as having an MA mechanism (indicator 12) [according to survey]	Geographic location	Update on progress 2009	2008 Monitoring Survey score for PD Indicator 1 (operational development strategies)	Aid dependency (Net ODA as % GNI in 2007)
Uganda	Yes	Yes (Canada, UK)	No	East Africa	Poverty Eradication Action Plan in Place (PEAP). Partnership Principles between Government of Uganda and its Development Partners. Uganda Joint Assistance Strategy foresees a MA mechanism consisting of an annual independent assessment of progress of partners in organizational effectiveness. A chapter on aid effectiveness in the new National Development Plan will address MA	B	15.7%
United Kingdom							
United Republic of Tanzania	Yes	Yes (Canada, UK)	Yes	East Africa		B	17.4%
Vanuatu				Oceania			13.5%
Zambia	Yes	Yes (Canada, UK)	Yes/No	East Africa	Fifth National Development Plan in place (FNDP). Zambia, when last surveyed was just developing an MA system under the JASZ, which included indicators for monitoring donor behaviour and an Independent Monitoring Group (IMG). Drafts of the Aid Policy and Strategy were circulated amongst government departments, private sector, NGOs and academia	B	10.2%

Sources:

Information for columns 2-4 (“Commonwealth countries participating in the 2008 Monitoring Survey”; “Commonwealth countries with Commonwealth donor participating in 2008 Monitoring Survey”; and “Commonwealth country recorded as having an MA mechanism (Paris Declaration indicator 12) as of 2007”) is derived from OECD (2008) Better Aid: 2008 Survey on Monitoring the Paris Declaration: Making Aid

More Effective by 2010 and Tavakoli T., Wathne C., Steer L. and N. Highton (2009) Member Countries Progress on the Aid Effectiveness Agenda. Overseas Development Institute.

Information for column 5 (“Geographic location”) is derived from <http://www.internetworldstats.com/list1.htm#geo>.

Information for column 6 (“Update on progress 2009”) is derived from the draft Mapping of current status of Mutual Accountability at the Country Level (54 Countries), Steer et al (2009), Graves (2008), Wilhelme and Krause (2007), Handley(2008), Eurodad (2008), Government of Republic of Zambia (2007)

Information for column 7 is derived from OECD (2008) Better Aid: 2008 Survey on Monitoring the Paris Declaration: Making Aid More Effective by 2010. Countries are rated from A-E where A is strong and E is weak. (A = National development strategy substantially achieves good practice; B = NDS is largely developed towards achieving good practice; C = NDS reflects action taken towards achieving good practice; D = NDS incorporates some elements of good practice E = National Development Strategy reflects little action toward achieving good practice)

Information for column 8 (“Aid dependency (Net ODA as % GNI in 2007)”) is derived from OECD (2009) “Aid Statistics, Recipient Aid Charts”, available at http://www.oecd.org/countrylist/0,3349,en_2649_34447_25602317_1_1_1_1,00.html

Note: Commonwealth countries that are not recipients of ODA are highlighted in gray.

It is important to note that the table provides a very preliminary mapping of mutual accountability drawing on existing data compilations that can contribute to the process of case selection.