ACCOUNTABILITY FOR DEVELOPMENT COOPERATION

Study prepared for the Development Cooperation Forum's High-Level Symposium on
"Accountable and effective development cooperation in a post-2015 era"

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This study is a contribution to the Development Cooperation Forum's (DCF) dialogue on the objectives, principles and features of development cooperation. It analyzes how to enhance the accountability for development cooperation in the framework of a Global Partnership for Development, which is, in turn, an essential component of the post-2015 development agenda currently under discussion.

The challenges are, of course, immense. First of all, there is still difference of opinion on the nature and scope of development cooperation, how it should change to support a post-2015 development agenda and how a renewed global partnership for development should be designed and work in practice. These issues were the subject of attention in the previous two rounds of this dialogue, which took place in Addis Ababa and Montreux in 2013.[1] Second, the development cooperation agenda is increasingly mixed with that associated with the challenges generated by global interdependence –also referred to as the provision of "global public goods"—; these two forms of cooperation are crucial but should be clearly separated, even if we recognize their mutual interactions. Third, in relation to financial and technical assistance, the issues on which this study concentrates, the system has been for some time under the stringent –and, somewhat conflicting— demands for strong ownership by partner (recipient) countries, on the one hand, and for development effectiveness by the domestic constituencies of donor countries, on the other. Fourth, in these areas, the number of development actors has significantly increased, with no effective coordination and a very incomplete information system. Fifth, fiscal constraints have become more stringent in donor countries, and have already been reflected in a reduction of official development assistance in recent years. Sixth, although there have been some advances in "mutual accountability", the concept that has been enshrined in the field of development

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[1] See ECOSOC, Official Summary Reports of the Ethiopia Symposium on "A renewed partnership for development for a post-2015 era", June 5-7, 2013, and of the Montreux Symposium on "Development cooperation in a post-2015 era: Sustainable development for all", October 23-25, 2013.

cooperation after the Paris Declaration on Aid Effectiveness, and multiple "social accountability" mechanisms have spread, this progress has taken place in the context of a history of very limited accountability for international commitments in general and for those made in the United Nations in particular.

The study is divided in five parts. As bridge to the previous rounds of these debates, the first presents some reflections on the scope of the Global Partnership for Development and development cooperation. The second looks at the concept of accountability in domestic governance and explores how it can be applied to international commitments in general and to development cooperation in particular. The third takes a closer look at several accountability experiences which can be considered more closely relevant to development cooperation. The fourth part takes a closer look at the three elements of what we will call the "triangular architecture" of development cooperation: (i) "mutual accountability" in the context of North-South cooperation, (ii) South-South cooperation, (iii) and cooperation by non-governmental actors. This is a bridge to some proposals made in the last section on how to design a better system of accountability. In addition, several proposals on specific issues are presented throughout the paper.

Development cooperation involves much more than financial and technical assistance. However, given the focus of the DCF consultations for which this study is prepared, we concentrate here on this set of cooperation instruments and generally use the term "development cooperation" to refer to them. This is what we will refer to in part I as development cooperation "in the narrow sense". In the last section, we will briefly come back to some issues of accountability for development cooperation "in the broader sense".

I.   The Global Partnership for Development and the concept of development cooperation

The concept of the "Global Partnership" has a long history in the United Nations and in global debates.[2] The 2005 summit defined it when stating that: "We reaffirm our commitment to the global partnership for development set out in the Millennium Declaration, the Monterrey

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[2] See Barry Herman, "Towards a New Global Partnership for Development: Looking Back to Look Forward", *Background document prepared for the DCF Ethiopia High-Level Symposium,* May 23, 2013.

Consensus and the Johannesburg Plan of Implementation".[3] In turn, the DCF Ethiopia High-Level Symposium concluded that: "The principles of the Millennium Declaration remain highly relevant for the global partnership for development in the post-2015 era. They range from solidarity and non-interference to common but differentiated responsibilities and capabilities, and the right to development and greater distributive justice".[4]

This means that the Global Partnership involves a broad set of commitments, which are essentially aimed at reducing *international* inequalities among countries and, particularly, the asymmetries that characterize the international economic system.[5] In terms of the post-2015 development agenda, these inequalities and asymmetries constrain the capacity of developing countries to achieve the sustainable development goals. So, the Partnership is not only about technical cooperation and financial flows –and concessional financial flows in particular—, but also about the *rules* that govern global finance, trade, and technology generation and transfer, among others. Using a terminology that is also usual in these debates, these rules refer to ensuring an "enabling environment" for development.

This view was particularly captured in the Monterrey Consensus, which included the commitment of all countries to develop "an open, equitable, rule-based, predictable and non-discriminatory multilateral trading and financial system", as well as to "broaden and strengthen the participation of developing countries and countries with economies in transition in international economic decision-making and norm-setting".[6] The High-Level Panel's report on the post-2015 development agenda suggested an even broader scope of cooperation under a "new" Global Partnership for Development, adding climate change, tax evasion and hidden ownership of assets.[7] Still others could be added, including, in particular, international migration.

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[3] General Assembly, *World Summit Outcome*, Document A/RES/60/1, October 24, 2005, paragraph 20.
[4] DCF Ethiopia High-Level Symposium, *Official Summary Report*, p. 2, bullet iii.
[5] The global agenda also include commitments for collective action to address challenges associated with global interdependence, as well as the spread of social standards. This is the typology suggested by José Antonio Ocampo, "Rethinking Global Economic and Social Governance, *Journal of Globalization and Development*, 2010, Vol. 1, Issue 1, and used by the United Nations Department of Economic and Social Affairs, *World Economic and Social Survey 2010: Retooling Global Development,* chapter VI. However, as argued in the introduction, the development agenda should be kept separate objective from that of meeting global challenges, as well as from the spread of social standards.
[6] *Monterrey Consensus on Financing for Development,* paragraphs 26 and 62.
[7] *A New Global Partnership: Eradicate Poverty and Transform Economies through Sustainable Development*, Report of the High-Level Panel of Eminent Persons on the Post-2015 Development Agenda, New York: United Nations, May 2013 [Quoted in this study simply as High-Level Panel report].

This broad framework contrasts sharply with the limited scope of the Global Partnership for Development as defined in the Millennium Development Goals (MDGs). MDG-8 has been severely critized (correctly in our view) for the fairly ad-hoc character of the targets and indicators chosen (see below), as well as from the focus on quantity rather than on the quality of official assistance –or, in the terminology that became used after the 2005 Paris Declaration, the lack of attention to aid effectiveness.

Given the diverse levels of development, the Global Partnership should obviously have different objectives for different types of countries. So, while official development assistance (ODA) to eliminate extreme poverty and guarantee access to essential social services and infrastructure is particularly critical for low-income countries, counter-cyclical financing and technological upgrading, which is critical to avoid the "middle-income trap", may be particularly important for middle-income countries.[8] Land-locked and small island development states also have their special needs, as recognized in a series of UN conferences. Technical cooperation and institution building are essential for all, but the challenges are varied and create broad opportunities for North-South, South-South and triangular cooperation as well as that of non-governmental actors.

Seen in this light, the multi-stakeholder partnerships with civil society, foundations, academia and the private sector for the achievement specific development goals is, of course, an essential component of the Global Partnership, but it cannot substitute for *inter-governmental* cooperation, which is essential in policy-making, norm-setting and global governance. In fact, multi-stakeholder partnerships should be coordinated through inter-governmental processes at the international level, and by partner governments at the national level. This is a corollary of a principle that is widely accepted in relation to social service provision in developed countries: that multiple agents can participate, but such efforts are supported and/or regulated by national governments.

The conception of the Global Partnership is closely linked to different views about what "development cooperation" means. One view, which we will call "development cooperation in a narrow sense", defines it as technical and financial assistance – in the latter case, concessional

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[8] On middle-income countries, see, for example, the documents presented to the Special Conference on Development Cooperation with Middle Income Countries, held in Madrid on March 1-2, 2007, available at: http://www.un.org/esa/ffd/events/2007mic/

financial assistance in particular. This is, for example, the definition adopted by the background paper for the Montreux Symposium: "a specific transfer of resources to support development in another country or region", which can be financial, technical cooperation or a technical transfer offered in kind.[9] A broader concept of development cooperation also includes the rules to counteract the asymmetries of the international economic system (the enabling environment for development). We will focus here on accountability for development cooperation in the narrow sense, returning to accountability in the broader sense in the last part of this study.

II.   The concept of accountability and its features in international cooperation

1.   National accountability

The concept of accountability has been essentially developed in the context of the analysis of national governance, to refer to the oversight over the fulfillment of responsibilities of public sector officials and the checks and balances on the exercise of political power. It has also been subject of attention in relation to non-profit and private sector (corporate) governance. Although we will come back later to the accountability of non-governmental actors, it is better to focus here on how this concept has been discussed in relation to national governance.

For national governance, Schedler[10] has argued that accountability involves two interrelated dimensions (or constituent elements). The first is *answerability*, which can be understood as the obligation of public officials to inform, explain and justify their decisions and actions. This assumes a relation between accountable and accounting actors and the public debates in which they engage. It is thus closely tied to transparency and may involve formal mechanisms of monitoring and oversight.

The second dimension is *enforceability*, which is the capacity of accounting agencies to impose sanctions on public sector officials who violate their duties. This second dimension implies that officials are subject to the rule of law and the threat of sanctions if they violate it. Enforcement is exercised both through the classical mutual control among the different branches

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[9] Jonathan Glennie and Andrew Rogerson, "Cooperation for Sustainable Development: Critical Challenges for Development Cooperation in a post-2015 World", *Background Study for the DCF Switzerland High-Level Symposium*, London: Overseas Development Institute, October 2013, p. 11. The authors also included in the definition the transfer of resources for support of global public goods, which, as pointed out in the introduction, belongs to an entirely different realm of cooperation.

[10] Andreas Schedler, "Conceptualizing Accountability", in Andreas Schedler, Larry Diamond and Marc F. Plattner (eds.), *The Self-Restraining State: Power and Accountability in New Democracies,* Boulder: Lynne Reiner, 1999, chapter 2.

of power (executive, legislative, judicial) but also, and in fact increasingly, by independent agencies specialized in public sector oversight (comptrollers, attorney generals, ombudsmen, etc.).

A third dimension, according to other analysts, is a *clear delimitation of responsibility* – i.e., the requirement that all positions of authority should have clearly defined duties and performance standards, which would enable their behaviour to be assessed transparently and objectively.[11] This may be seen as a prerequisite for both answerability and enforceability, as it would be difficult to demand these two other dimensions of accountability without a clear definition of whom and over what a particular official is responsible.

In the light of these dimensions, accountability can be defined as the mean to oblige those in authority "to take responsibility for their actions, to answer for them by explaining and justifying them to those affected, and to be subject to some form of enforceable sanction if their conduct or explanation for it is found wanting".[12]

Some analysts argue that the link between wrong actions with possible sanctions is the crucial dimension of accountability.[13] However, there are cases in which responsibility and answerability are not accompanied by enforcement or sanctions. This is, for example, the case of most public debates on whether governments are fulfilling their campaign programs, but also in the accountability of central banks to parliaments, none of which involves possible sanctions (except in the case of a handful of central banks). It is even the case of truth commissions, where sanctions are many times just confined to the public exposition of criminal actions and the social stigma that may be derived from it. There may also be cases in which sanctions may come without answerability or even clarity about whether responsibility applies, particularly when governments are forced to resign as a result of popular mobilizations.

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[11] See Office of the High Commissioner of Human Rights (OHCHR) and Center for Economic and Social Rights CESR), *Who Would be Accountable? Human Rights and the Post-2015 Development Agenda*, New York and Geneva, 2013, chapter I.

[12] *Ibid.*, p. 9.

[13] See for example, the introduction to Adam Przeworski, Susan C. Stokes and Bernand Manin to *Democracy, Accountability and Representation* (Cambridge: Cambridge University Press, 1999) who refer to accountability as the relation between outcomes and sanctions (p. 8).

The three dimensions of accountability relate in turn to its modalities. Following O'Donnell,[14] who has provided the most lucid analysis of this issue, we can differentiate three modalities. The first is *vertical* accountability, which may be understood as a principal-agent issue, the most important of which is elections, when the principals (voters) put the agents (governments) to account. The second is *horizontal* accountability, which is closely linked to enforcement, and is thus exercised through the network of institutions which, as already noted, includes both the traditional mutual control among the different branches of power and independent institutions specialized in oversight. The third is *social* accountability, which refers to the control exercised by multiple civil society organizations and independent media on public sector officials.[15] This form of accountability, and particularly its capacity to "name and shame", creating social stigma and generating public pressure may be important in itself. Ultimately, however, it depends on its capacity to influence the other modalities – that is, how people vote, and whether the public debates initiated by civil society induce actions by the institutions of horizontal accountability. The power of accountability as answerability and responsibility may, therefore, depend, in the end, on enforcement.

2.   *The nature of international accountability*

In light of these conceptual debates, accountability at the international level has significantly more limitations than in national governance. Four issues are crucial in this regard. The first one is that inter-governmental decision-making bodies are strongly affected by imbalances in power relations among member states. So, the essential features of both vertical and horizontal accountability are absent: there is no room to remove governments (in fact, in inter-governmental organs the principals and the agents are one and the same), and the institutions of horizontal accountability (checks and balances among different branches of power, and independent oversight over the actions of member states, except on a limited set of issues) do not exist.[16]

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[14] Guillermo O'Donnell, *Dissonances: Democratic Critiques of Democracy*, Notre Dame: University of Notre Dame Press, 2007, chapters 2-4. See also his essays on "Delegative Democracy" and "Illusions and Consolidation" in *Counterpoints: Selected Essays on Authoritarianism and Democratization*, Notre Dame: University of Notre Dame Press, 1999, particularly pp.164-6 and 184-7.

[15] On social accountability, see also Catalina Smulovitz and Enrique Peruzzotti, "Societal Accountability in Latin America", *Journal of Democracy*, 11:4, October 2000.

[16] There is, of course oversight over the international civil service, but this is a different issue, not discussed here.

This is related to a second issue: with a few exceptions, the ultimate force of accountability, enforcement, is generally absent at the international level. The major exception is Security Council resolutions to maintain international peace and security (use of military force or sanctions) under Chapter VII of the United Nations Charter. Yet, only in the (rare) case of military interventions are officials removed. States who have signed the relevant conventions or treaties are also bound by the decisions of international human rights and criminal courts, and to the dispute-settlement mechanisms in trade and investment treaties. However, it is not infrequent for states to ignore associated "enforcement" decisions, notably when their own national rule of law and independent judiciary powers are not strong enough. If countries fail to fulfill some commitments in the treaties that create international organizations, there is also the possibility of removing their voting power –an option also rarely used,

The third issue is that, at the international level, most commitments by member states are only voluntary and thus non-binding; in a way, there is nothing to enforce. This is true in development cooperation. For example, several developed countries still fail to recognize the oldest commitment in development cooperation: to allocate 0.7 per cent of their Gross National Product (GNP) as Official Development Assistance (ODA). The same is true of the more recent target of allocating ODA of at least 0.15-0.20 per cent of GNP for LDCs. "Special and differential treatment" for developing countries in trade negotiations, also an old commitment, has an equally weak record in terms of implementation.[17] On behalf of developing countries, there are similar cases of poor record of implementation of voluntary commitments, such as that to adopt national sustainable development strategies.

This issue relates, in turn, to a fourth: contrary to national governance where responsibilities of different actors are clear, at the international level, who is responsible for what is not always clear. Unless the international community takes steps to apply the third dimension of accountability –a clear delimitation of responsibility–, accountability cannot apply. In this sense, defining global goals for development cooperation both in the narrow or broader sense is not sufficient; a special effort has to be made to define the specific commitments and associated responsibilities of all actors (i.e., national governments, international organizations, civil society,

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[17] On the history of these commitments, see John Toye and Richard Toye, *The UN and Global Political Economy: Trade, Finance and Development*, Bloomington and Indianapolis: Indiana University Press, 2004. The ODA targets were most recently in the *Monterrey Consensus on Financing for Development*, paragraph 42.

private firms). This will not only help improve answerability but also, up to a point, give credible incentives to comply.

In this regard, it is essential to remember that accountability is not an end in itself, but a means for effective cooperation and thus for effective development *results*. Equally, accountability is not about the process (how to manage aid), the way it has been generally managed, but over the results. There must therefore be a direct link between expected results and actors (responsibility) to hold them accountable.

So, of the three dimensions of accountability, only one is fully operational at the international level, answerability, but progress has to be made to implement the third, responsibility, without which accountability is inoperable. In turn, of the different forms of accountability defined by O'Donnell, the only one fully functional at the international level is social accountability. Indeed, with the development of communication technologies, such accountability has flourished. Nevertheless, its capacity to affect international cooperation is reduced by the fact that horizontal accountability is also limited and, in particular, that there are no international mechanisms of enforcement that it can unleash.

Given these limitations, it is important to think on the best forms accountability can take in the international system – a "second best" scenario. *Strong monitoring* of commitments is the minimum standard. To serve as an appropriate accountability mechanism, monitoring should have a certain level of independence, basically by giving the responsibility to strong Secretariats of international organizations –the term that, following UN jargon, we will give here to the elected officials and the international civil service that administer the organizations. Obviously, monitoring requires adequate information systems. When monitoring involves binding commitments by member states, *surveillance* is the term generally used, and so it can be considered a superior form of monitoring. In both cases, it is essential that monitoring and surveillance feed into the first dimensions of accountability –answerability—, leading governments to explain and justify their performance in fulfilling or not their international commitments, both at the international level but, even more so, in their own national contexts (see below).

In turn, the best forms of horizontal accountability at the international level are peer reviews, peer pressure, and advice and pressure by Secretariats. In the first two cases, it is

important that the process be *symmetric*. In the case of monitoring, surveillance and pressure by Secretariats, it is also essential that it be "even-handed", to use a term employed in International Monetary Fund (IMF) debates to refer to the fact that they should be exercised with equal strength (or, we could even argue, more strongly) vis-à-vis the most powerful member states.

"Mutual accountability" (MA), a term that has come to be widely used in relation to development cooperation, belongs to this family of mechanisms of horizontal international accountability. It was defined in the Paris Declaration on Aid Effectiveness as shared responsibility among both donors and recipient countries for the effectiveness and quality of development cooperation, and relies on trust and partnership around shared agendas, and on encouraging changes in the policies and actions needed to meet commitments rather than on any sanction for non-compliance.[18] But to underscore a point made in the previous paragraph, to function effectively, MA requires, aside from shared objectives, a certain level of *symmetry* in the relationship. This is not easy, because the donor-recipient relation involves an inherent power imbalance. As we will argue below, one of the basic problems of MA is still its lack of symmetry in the relationships to which it is meant to apply.

The capacities, relative autonomy and impartiality/even-handedness of the Secretariats of international organizations are crucial. Furthermore, Secretariats play essential roles vis-à-vis weaker member states of organizations, providing information to all members on an equal basis, and at least partially balancing out power imbalances by presenting analyses that respond to the needs and take into account the views of less powerful members. They also provide these members neutral technical support in a myriad of areas. Furthermore, Secretariats frequently go beyond these functions to advance novel initiatives, help mediate disputes and identify the common ground on which global agreements might be forged. To be relevant, however, the monitoring and surveillance reports prepared by Secretariats must be given prominence in the inter-governmental processes – i.e., an "institutional home," where governments discuss the conclusions of those evaluations and their recommendations. To support even-handedness by international organizations, overseeing whether Secretariats are fulfilling their responsibility to

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[18] See the 2005 *Paris Declaration on Aid Effectiveness*, paragraphs 47-50.

be impartial should be one of the major functions of the independent evaluation offices of these organizations.[19]

In all cases, the *national* counterpart of international accountability plays an essential role, because national accountability is essentially stronger. Herein lays the importance of developing strong domestic counterparts of the international accountability processes involved. In the case of development cooperation, robust government capacities in partner countries are essential, but also the relevance given to this issue in the state structures of donor countries. Furthermore, since allocating public sector resources and making governments accountable for fulfilling or not their international commitments are essential functions of parliaments, it is essential to have them strongly involved in the international accountability exercises. Civil society organizations should also be very active, as drivers of social accountability.

3. An initial view of the modalities of international accountability

A brief initial look at the international system of governance in the economic, social and environmental fields shows the significant constraints that it faces in guaranteeing effective accountability and, even more, compliance with international commitments. The best developed is, no doubt, dispute settlement in the World Trade Organization (WTO), which has created an international judicial body to guarantee compliance and allows countries to retaliate against those who do not fulfill their obligations. Similar mechanisms are in place in other trade agreements and in investment agreements, including in the latter case a specific organization of the World Bank group, the Multilateral Investment Guarantee Agency. All these mechanisms have been criticized, however, for not being symmetric.[20]

International conventions, many of them associated with economic and social rights, are an intermediate case. The best examples are core International Labor Organization (ILO) and human rights conventions. When they have become national law, the domestic judicial system is in charge of guaranteeing their implementation –a principle that operates, however, in an imperfect way in many national settings. Beyond that, reporting to and monitoring through the treaty bodies (committees) create a mechanism to check compliance with the conventions'

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[19] See an excellent example in interesting evaluation of the IMF's Independent Evaluation Office, *IMF Performance in the Run-Up to the Financial and Economic Crisis: IMF Surveillance in 2004-07*, Washington D.C., 2011.

[20] WTO dispute settlement is limited by the high costs of using the mechanism and the unequal capacity to retaliate that different countries have. Investment treaties have been criticized for constraining the policy space to regulate financial flows, and its .dispute settlement mechanism for being too investor-friendly.

provisions. The pressure exercised by these bodies may have some effects but they only exercise moral sanctions, whose effectiveness has proven to be weak. An additional and perhaps more effective mechanism may be the pressure exercised by international and national civil society on governments to comply with the conventions –i.e., international social accountability.

Peer reviews and associated peer pressure constitute another intermediate framework. It is extensively practiced by OECD and has been introduced by the African Union and the Human Rights Council. It was also proposed after the 2005 World Summit for the follow-up by ECOSOC of global summits and conferences, but it was only accepted in a diluted version (as "voluntary presentations"). Two experiences associated with development cooperation –OECD's Development Assistance Committee (DAC) and African Union peer reviews– are analyzed in greater detail in the next part of this study. As already indicated, "mutual accountability" is a similar mechanism, but it is not exercised among partners that are strictly peers and may thus be subject to significant asymmetries.

Well-developed surveillance mechanisms include IMF Article IV consultations and WTO's *Trade Policy Reviews*, both of which are mandatory under the respective international agreements, but their recommendations are again non-binding. As a result of the criticism that IMF's Article IV consultations exercise only limited influence on the most powerful countries, there has been an attempt to increase their profile and make them more "candid" since the global financial crisis and to develop a stronger system of multilateral surveillance.[21] As a result of these mechanisms and the Group of 20's Mutual Assessment Process, the world probably has today the most elaborate system of surveillance and macroeconomic policy cooperation. But it continues to rely essentially on a mix of stronger surveillance and peer pressure, which have proven to be weak forces.

In the United Nations, the follow up to the MDGs was a significant innovation in terms of monitoring. This included not only a well-developed statistical information system, supported by a network of international organizations, and regular global UN evaluations of progress made in achieving the MDGs, complemented by the World Bank's *Global Monitoring Reports,* ECOSOC's Annual Ministerial Review, and high-profile national evaluations supported by the

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[21] This system includes the "Consolidated Multilateral Surveillance Report", the "spillover reports" for the "systemic 5" (U.S., U.K., Eurozone, Japan and China), the "External Sector Reports", and the obligation of 25 jurisdictions with systemically important financial sectors to undertake Financial Sector Assessments Programs.

UN teams in several countries. However, within the context of this framework, the monitoring of MDG-8 was comparatively weak, as addressed in the next part. In any case, the monitoring of the MDGs should be the starting point both for monitoring development cooperation and, more broadly, the post-2015 development agenda.

To all these mechanisms, we should add the active social accountability exercised by multiple civil society organizations at the international level, the only modality that is strictly similar to national accountability.

Borrowing from a previous analysis of this issue,[22] an interesting way to summarize the modalities of international accountability is by differentiating five categories, the first of which relate to social accountability and the remaining four to different international forms of horizontal accountability:

- "Spotlights", which are non-official mechanisms that seek to provide independent information and highlight issues like donor and partner performance.
- Monitoring and surveillance by Secretariats, which are the "official spotlights" and the minimum form of horizontal accountability
- "Mirrors" (peer reviews): this is accountability made by peers, holding up a "mirror" to one another. Some examples are analyzed in the next part of this report.
- "Two-way mirrors" is a mechanism that allows for donors and partners to oversee one another's performance in the context of "mutual" agreements and shared responsibilities. The best cases are the Busan Partnership and UN's DCF.
- Strict, but generally imperfect compliance mechanisms, which at the end operate in many cases on the basis of pressure by peers or by Secretariats of international organizations.

This analysis leads to four conclusions we want to underscore at this stage. First, it is essential to move from monitoring/surveillance –and, in this case, with high-level debates of the associated reports by inter-governmental organs, i.e., a clear "institutional home"— to stronger modalities of horizontal accountability –mirrors and two-way mirrors—and, at least in some cases, to strict compliance mechanisms. Second, given the limitations that international

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[22] Liesbet Steer, Cecilie Wathne, Ruth Driscoll, *Mutual Accountability at the Country Level: A Concept and Emerging Good Practice*, London: Overseas Development Institute, 2008. We mix, however, their concept of spotlights, mirrors and two way mirrors, with other categories previously analyzed.

accountability faces, the domestic counterparts of such accountability exercises are essential, including strong government capacities in partner countries and ensuring that national parliaments play a central role in accountability exercises. Third, strong, autonomous and impartial Secretariats of international organizations are essential to guarantee the success of the accountability exercises. Last but not least, given the limitations of all modalities of horizontal accountability and the lack of vertical accountability at the international level, social accountability plays a central role, perhaps even more important than at the national level.

III.   A closer look at accountability mechanisms relevant for development cooperation

The global development community has seen in recent years a proliferation of accountability mechanisms at the national, regional and global levels. Each mechanism has different characteristics and serves different contexts, participants and purposes. Understanding the contribution of each, their differences, and complementarities, will help design a better accountability architecture for development cooperation. Table 1 summarizes major features of the experiences studied involving government actors. In all cases, we analyze the challenges each experience faces and propose some recommendations.

Insert Table 1

1.   Global monitoring of MDG-8[23]

The MDG Gap Task Force was created in 2007, by the UN Secretary-General to improve monitoring of global commitments contained in MDG-8. The main purpose of the Task Force is to systematically track advances in meeting existing international commitments and to identify gaps and obstacles in the fulfillment in each of the five areas of MDG-8: official development assistance, market access (trade), debt sustainability, and access to essential medicines and new technologies.

Starting in 2008, annual global reports highlight the degree of compliance to the commitments made both by developed and developing countries. The reports are prepared by the UN Secretariat (the Department of Economic and Social Affairs, UN-DESA) and are part of the monitoring system of the MDGs supported by over 30 UN and other international agencies. They

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[23] The MDG Gap Task Force reports, mandate and other related information can be found online at the United Nations Department of Economic and Social Affairs' (UN-DESA) Development Policy and Analysis Division (http://www.un.org/en/development/desa/policy/mdg_gap/mdg_gap_archive.shtml).

are now complemented by the Reports of the Secretary-General to the biennial DCF and the *International Development Cooperation Report*, also presented to the DCF and prepared by UN-DESA (the first in 2010 and the second currently under preparation).

The report of the MDG Gap Task Force is a traditional monitoring mechanism of a global character. Although its conclusion and recommendations are not binding, they serve as an alert mechanism and a call upon the international community to fill those gaps. For example, the 2012 report warned that no significant advances had been made in any of the five objectives of MDG-8 since the previous one, while the 2013 report, warned of mixed progress and, in particular, about the falling levels of ODA.[24] The major deficiencies of these reports are the fairly ad-hoc character of the targets and indicators chosen for MDG-8 and, although they are a reference for discussions in ECOSOC and the DCF in particular, they lack a specific intergovernmental forum where it is given a high-profile debate –an "institutional home" as we will call it here. They also lack articulation with other processes and are not subject to regional and national debates to mobilize social accountability.

2. *Global monitoring framework of the Busan Partnership (Global Partnership for Effective Development Cooperation)[25]*

On the Fourth High Level Forum on Aid Effectiveness (Busan, Republic of Korea, November 29th–December 1st, 2011) a new partnership for global development cooperation was forged built upon the previous principles and commitments of the Paris Declaration on Aid Effectiveness (2005) and Accra Agenda for Action (2008). The Busan Global Partnership for Effective Development Cooperation (GPEDC) sets out shared principles, common goals and differential commitments for improving the effectiveness of international development cooperation (Table 2). It brings together a framework for all new stakeholders, private sector, civil society, donors and recipients, to uphold accountability based on shared principles and differential commitments. It is a two-way mirror mechanism.

Insert table 2

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[24] See *The Global Partnership for Development: Making Rhetoric a Reality*, New York: United Nations, 2012, and *The Global Partnership for Development: The Challenge We Face,* New York: United Nations, 2013.

[25] For information on the Busan Partnership, see *The Busan Partnership for Effective Development Cooperation*, Final Document of the 4th high-level forum on aid effectiveness, Busan, Korea, December 2011, and Global Partnership for Effective Development Cooperation, *Guide to the Monitoring Framework of the Global Partnership,* final version, 2013.

Starting with the Paris Declaration, the Busan Partnership was intended to correct previous imbalances on the donor-recipient relationships, by applying the principle that partner countries should be in control of their development process and thus, of cooperation. However, as with all international processes of its kind, the GPEDC and its predecessors do not take the form of a binding agreement and therefore do not give rise to legal obligations. It is rather a statement of consensus among a wide range of governments and organizations.

The Busan agreement also established an elaborate system, to support and ensure accountability for implementing the commitments at the country and international level, facilitate sharing the lessons learned and maintain and strengthen the political momentum for more effective development cooperation. The Busan architecture is based on a three-tier governance structure:[26]

- Each national government is responsible for implementing the agreement, and every 18-24 months a ministerial-level meetings serves as the main political forum.
- A Steering Committee supports the ministerial level platform, providing the strategic leadership, coordination and oversight.
- Secretariat: The OECD and UNDP fulfill secretariat functionsm, drawing on their existing structures.

Within this framework, and applying the principle of ownership, developing (partner) countries have the leading role in the monitoring process. They are encouraged to define their shared agenda with different donors and stakeholders and define goals and targets. This is an innovative twist to fight the usually imbalanced relation between donors and recipients.

At the global level, the process monitors ten objectives, based on the principles agreed from Paris to Busan (see again Table 2). Although each objective has a global indicator to allow monitoring, this does not prevent stakeholders for agreeing on different targets at the country level.[27] Global monitoring is informed through the ministerial-level dialogue. Aside from serving

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[26] OECD, *Proposal for the mandate of the Global Partnership for effective development Cooperation*, Document prepared by the Working party on aid effectiveness, Paris, 2012.
[27] The standard indicators and definitions set out at Busan enable countries to collect data and feed these to inform global monitoring efforts without the need to administer stand-alone questionnaires as was previously the case with the Survey on Monitoring the Paris Declaration.

as an accountability device, it stimulates broad-based dialogue on good practices across countries at both the country and international levels.

Up until now, 161 Governments and 54 organizations have endorsed the Busan agreement. The first Busan Global Partnership high-level meeting is to be held in Mexico on 15th and 16th April 2014. The main focus is going to be the linkages between development cooperation and the post-2015 development agenda.

The Busan partnership managed, therefore, to shift the notion of development cooperation from donor centric to holistic framework, based on: (i) ownership and control by developing countries; (ii) a focus on results and priorities of developing countries; (iii) inclusive development partnerships; and (iv) transparency and mutual accountability.

However, it also faces important challenges. First, it does not monitor development outcomes, which are addressed through other international frameworks, such as the MDGs. Secondly, even though it gives developing countries higher responsibility and ownership of development cooperation, this alone does not guarantee that there exist credible incentives or mechanisms for donor countries to comply with commitments or for developing countries to be able to enforce them. Third, despite broad-based participation, an important group of countries does not participate: major Southern partners; this has to do with the origin of what was essentially an OECD initiative. Finally, it has faced problems in maintaining its focus on transparency and mutual accountability, as only 40 some countries in the global monitoring exercise.

3. *Peer-review process in OECD-DAC[28]*

The peer review process of the Organization for Economic Cooperation and Development's Development Assistance Committee (OECD-DAC) is a unique mechanism for accountability on the effectiveness and quality of development cooperation from a donor perspective. It is, of course, part of the broader family of OECD peer reviews and is conceptualized as a mirror-type accountability mechanism among DAC members.

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[28] For information on the OECD-DAC peer review, see the official website http://www.oecd.org/dac/peer-reviews/ and related documents: OECD-DAC, *Peer review reference guide*, Paris, May 2013; OECD, *The OECD Peer Review Process: a tool for co-operation and change, Paris, 2012; and* OECD-DAC. *Effective Aid Management: Twelve Lessons from DAC Peer Reviews,* Paris, April 2008.

The peer reviews cover the full range of issues, from policy to delivery. Nevertheless, it is mainly a mechanism to monitor the process of "delivering aid" focusing on the principles, conditions and best practices to manage aid for a better quality and effectiveness rather than on development results. It tries to improve management of aid programs, accountability, coordination, sharing best practices and learning in development cooperation.[29]

All DAC members are obliged to undergo peer reviews and to serve as "examiners" in the review of other members. The Review, Evaluation and Engagement Division of the Development Cooperation Directorate act as the Secretariat and is responsible for conducting the review process.[30] The process involves five stages: (i) preparation and planning; (ii) fact-finding, analysis and report writing; (iii) the peer review meeting; (iv) approval and publication; and (v) follow-up. The peer review process also consults a wide variety of stakeholders and questions to partner countries are an important part of the process (in particular for dimensions related to development cooperation delivery, partnerships, results, and development finance). In this sense, it is also partly a tool of mutual accountability.

The DAC peer review reference guide is the analytical framework for reviewing performance of DAC members. It sets the components and indicators, in the light of internationally agreed benchmarks and principles, DAC good practice papers and guidelines, criteria for the admission of new DAC members and nationally selected reference points. However, while the reference guide provides benchmarks, each peer review is situated in its own context and recommendations are adjusted to each specific situation. The review makes recommendations for improvement and a follow up process ensures that lessons are translated into policies, programmes, and practices of the DAC member.

The peer review is, however, only a soft tool of accountability with no enforcement or binding recommendations. There is, nevertheless, strong follow-up from the Secretariat to comply with agreed global principles and standards. Indeed, this is perhaps the best case among those analyzed in which we can talk of this process being surveillance rather than just monitoring. It is also the only accountability mechanisms in place where donors have credible

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[29] Fabrizio Pagani, "Peer Review as a tool for co-operation and change: an analysis of the OECD working method", *African Security Review*, 11: 4, 2002.
[30] Each year, the Secretariat designates five countries to be reviewed, and each peer review relies upon two DAC members as examiners for each review.

incentives, by peer-pressure and surveillance, to comply with agreed commitments and standards.[31] The public character of the process contributes also to this result.

Linking the OECD-DAC peer reviews with the other (existing or new) mechanisms in a global accountability framework could increase the incentives for donor countries to comply with commitments and help developing countries enforce them even if they have a different origin. For this, it must be clear how an integrated architecture would work and how these mechanisms can complement and reinforce each other.

4.   *African Union Peer Review Mechanism*[32]

The African Peer Review Mechanism (APRM) was established in 2003 by the African Union as part of the New Partnership for Africa's Development (NEPAD). The APRM is a self-monitoring tool. Participation is voluntary, but it has been broadly accepted by members of the African Union. By 2013, 33 states were members and 17 had undergone peer reviews.

Its objectives are primarily to foster the adoption of policies, standards and practices that lead to political stability, high economic growth, sustainable development and accelerated sub-regional and continental economic integration. These broad objectives are reflected in the four thematic areas for measuring performance and progress: (i) democracy and political governance; (ii) economic governance; (iii) corporate governance; and (iv) socio-economic development. As with other peer review processes, it also provides opportunities for sharing and reinforcement of successful and best practices, including identifying deficiencies and assessing requirements for capacity building.

The review process provides a national space for dialogue on governance and socio-economic indicators for the Member State. The National Programme of Action (NPA) prepared at the end of the first phase defines the road map agreed upon by all stakeholders in an inclusive and participatory manner. This is the base document for discussion in further peer reviews, for improvement and accountability. The NPA must have time-bounded objectives and must be linked to national budget to guide all stakeholders (local government, private sector, civil

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[31] ECOSOC/DCF, *Mutual accountability for development cooperation results: where next?*, New York: United Nations, 2012.
[32] On the APRM see NEPAD, *Objectives, standards, criteria and indicators for the African Peer Review Mechanism*, South Africa, 2003, and Economic Commission for Africa (UN-ECA), *African Peer Review Mechanism (APRM): Best Practices and Lessons Learned,* Addis Ababa, 2011.

society). The short-, medium- and long-term goals that it sets are monitored on a continuous basis, either by the National Commission/Governing Council, or a smaller representative body including state and non-governmental actors, which prepares a six-monthly progress report and an annual progress report for the APR Forum.

At the regional level, the APRM architecture[33] includes three main bodies:

- APR Forum: the committee of participating Heads of States and Government of the members. and highest authority level of the APRM.
- APR Panel of Experts, which exercises oversight of the APRM process to ensure its independence, professionalism and credibility.
- APR Secretariat, which provides technical, coordinating and administrative support services.

The Forum also collaborates with other regional institutions, namely: the African Development Bank, the United Nations Economic Commission for Africa (UN-ECA) and the Regional Bureau for Africa of the United Nations Development Programme.

At the national level, countries put in place relevant structures to facilitate the effective implementation of the APRM. These structures may vary from designated focal points, national commissions for strategic policy implementation or national secretariats for technical and administrative support.

The APRM starts with a base review, carried out within 18 months of a country's joining it Periodic reviews take place every two to four years. Additional reviews can be requested, and alternative reviews can be commissioned based on signs of impending political and economic crisis. The participating countries have agreed to adopt specific objectives, standards, criteria and indicators for assessing and monitoring progress in the key areas in accordance with the APRM Base Document and the Declaration on Democracy, Political, Economic and Corporate Governance.

The major success of the APRM has been well summarized by UN-ECA: "A major and significant contribution of the APRM to institutionalizing a culture of accountability had been bringing about a domestic accountability mechanism, reinforced by a continental accountability

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[33] African Peer Review. http://aprm-au.org/

mechanism to replace externally, i.e., extra-African, imposed ones".[34] It has also served as a framework to share best practice for effective cooperation for development. More importantly, it has empowered and given more legitimacy to African Union members to be in control of development cooperation.

There are, however, some challenges. Among them how to mobilize and sustain citizen participation in its country and continental structures and processes in order to prevent "APRM-fatigue". Robust, accurate and time-appropriate data for informed decision-making has also been a challenge. Finally, as an accountability mechanism for internal national and regional priorities, it is difficult to see how it can be used as part of a global accountability mechanism within the system of development cooperation –or, even whether it should be used as such.

5. Some conclusions

The above review of these mechanisms points to at least four core elements that should be in place in every mechanism for an effective global framework for accountability in development cooperation: (i) A document with explicit guiding principles and, whenever possible, with specific responsibilities and associated targets and indicators, is needed, with a focus on results. This "road-map" is the answer to the need to define responsibility – "accountability over what". A shared agenda is necessary but clearly not enough. (ii) A multi-layered structure, with specific actors and purposes at each level seems to be the most efficient architecture. The best model in this regard is the APRM. This guarantees complementarities between domestic, regional and global accountability mechanisms and gives flexibility to respond to different demands. (iii) "Spotlight" or "official spotlights" at each level, but aligned within a complete framework, can have positive results. (iv) Data on the impact, effectiveness and results are mandatory for an accountability focus on the results of development cooperation.

IV.   The "triangular architecture" of development cooperation and its accountability mechanisms

Today's development cooperation (in the narrow sense) has developed a "triangular architecture", with three major components: North-South, South-South and non-governmental. The non-governmental could be divided, in turn, between civil society and philanthropic

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[34] UN-ECA, *op cit*, p. 10.

cooperation, on the one hand, and strict private-sector cooperation, on the other. Each form of cooperation has its own history and features and must be analyzed separately, but they should interact and in multiple ways for the proper functioning of the Global Partnership for Development. The global accountability system must build upon those used by each one of these mechanisms, but also look at the interaction and coherence among them.

1. Mutual accountability

As already pointed out, in relation to the first of these forms of cooperation, the concept that has become increasingly used is "mutual accountability" (MA), which is set as one of the five principles of the Paris Declaration on Aid Effectiveness. The new concept was formulated in contrast to the tradition of development cooperation as "donor-guided", both in terms of assignment and implementation.[35] A change in behavior was needed for parties to understand that they were both accountable for the use of development resources and for development results, that partner countries should be in full control of their development processes and that it was thus essential to the counteract the power imbalance between donors and aid recipients.[36]

MA is defined as: "accountability between the providers and recipients of development cooperation, for the effectiveness of that cooperation in producing development results. It promotes an equal partnership between programme countries and providers of development cooperation, and should be a key means of ensuring compliance with MDG-8 commitments, including those agreed in the Busan Partnership for Effective Development Cooperation".[37] MA fosters accountability by having concrete commitments and goals, differentiated by actor, which can be monitored and assessed. It relies on trust and partnership around shared agendas rather than on "hard" sanctions for non-compliance. However, in the development of this practice, tensions naturally arise for both donors and partner countries between the requirements of their domestic accountability mechanisms and their mutual commitments, and because of the inherent power imbalance in the donor-partner relationship.

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[35] James Droop, Paul Isenman and Baki Mlalazi, *Paris Declaration on Aid Effectiveness: Study of existing mechanisms to promote mutual accountability between donors and partner countries at the international level.* London: Oxford Policy Management, March 2008.

[36] Stephen Jones and Clara Picanyol, *Mutual Accountability: Progress since Accra and Issues for Busan,* London: Oxford Policy Management, July 2011.

[37] ECOSOC/DCF, *Mutual accountability for development cooperation results: where next?, op. cit.,* p. 1.

Mutual Accountability is supposed to work through five necessary elements that need to be applied at the country level: (i) clear national policies; (ii) a shared agenda (aligned with key element 1); (iii) specific targets and commitments for both donor and partners; (iv) clear ways to monitor and reviewing mutual commitments in time-specific basis; and (v) a space for dialogue and negotiation. Several of these coincide with the lessons from existing accountability mechanisms, as summarized at the end of part III of this report. In partner countries, this requires strong government, parliamentary and civil society leadership, and independent analytical input from non-governmental stakeholders, as well as comprehensive databases that cover aid quality issues.[38]

The application of these elements and the success of MA has proven to be a hard process. The 2009 DCF Global Accountability survey on the application of MA revealed that most recipient countries had no aid policy, and that virtually none had targets for individual providers. Furthermore most policies focused on recipient performance and on monitoring of recipient's commitments and goals, thus not balancing the existing relation. Only eight partner countries had major progress on national mutual accountability, though there was some progress in 22 others and a lot of work continuing.[39] The 2011 survey showed more encouraging results. An increasing number of recipient countries have designed national aid policies and specific targets for providers. Nonetheless, when in place, strong national-level MA has had a major quantifiable positive impact on changing providers, and (specially) partner countries' behavior: improved results-based planning; systematic monitoring and evaluation; higher quality of national development strategies; better prioritization of spending needs and management of development finance resources; and more comprehensive reporting on aid and results data. It has also encouraged providers to increase alignment with country systems and harmonization of efforts.[40]

The DCF has made mutual accountability and transparency a major focus for the assessment of development cooperation. The 2012 session focused on the lessons learned from, and the way forward for mutual accountability. It concluded that MA frameworks with performance targets for individual providers and partner countries, coupled with regular high-level reviews, have resulted in better development results, but that still many development

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[38] Droop *et al, op. cit.*

[39] UN-DESA, International Development Cooperation Report: *Development Cooperation for the MDGs: Maximizing Results,* New York, 2010

[40] ECOSOC-DCF, *Mutual accountability for development cooperation results: where next?,* New York, 2012.

partnerships remain imbalanced. It called, therefore, for "inclusive mutual accountability" complemented with high domestic accountability.[41]

More broadly, despite some successes and despite the proliferation of mechanisms at the international level to assess MA, progress has been disappointing and mutual accountability has been referred to as the Paris Declaration's "orphan pillar". Three main deficiencies have been identified in the practical application of the concept of MA.

First, MA has proven more successful in changing partner than donor countries' behavior. Donor countries have not fully committed to specific targeted goals, and there are few national aid coordination forums that serve as accountability mechanism for those countries. According to the 2010 UN's *International Development Cooperation Report*, this poor provider performance reflects eight systemic gaps in the global level mechanisms that should reinforce national level accountability (i) providers are virtually the only sources of data and analysis; (ii) partner governments and other stakeholders are woefully underrepresented; (iii) the content of assessments is dominated by providers' concerns; (iv) most assessments cover only DAC donors and major multilaterals; (v) virtually none publish analysis on the performance of individual providers in individual recipient countries; (vi) cooperation among mechanisms is weak though growing; (vii) few are used to provoke change at national level; and (viii) few have much impact on providers' behavior. These gaps are also related with the next deficiency.

Second, incentives to comply with MA are still imbalanced. Although donors can ultimately sanction their partners by cutting aid flows, sanctions for non-compliance by donors are entirely lacking.[42] According to the 2011 survey on MA only three recipient countries monitor targets for individual providers, perhaps because they still do not see how it could bring upon positive changes. As discussed in the previous part of this document, OECD-DAC peer reviews have positive impacts on making donor countries accountable for their commitments and quality of cooperation for development. However, although this mechanism exercises peer pressure and presents credible recommendations, the latter are only soft and non-binding. Some analysts have thus proposed a high-level agreement that would establishment a mechanism through which partner countries can collectively hold donors accountable.

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[41] ECOSOC, *Report of the 2012 Development Cooperation Forum*, New York, 2012.
[42] Jones and Picanyol, *op. cit.*

Third, partner government coherence (ownership) is still weak. There are still some gaps on the incentives for a strong government leadership that clearly establishes a clear national "road map" and involves parliaments and civil society. The participation of parliaments, civil society and private actors is essential to complement domestic and mutual accountability.

At the international level, mutual accountability may be seen as part of a family of rather soft-type, "collaborative" mechanisms based on reporting and monitoring, high-level meetings or other platforms for shared experiences, complemented by social accountability. Most UN mechanisms accountability mechanisms are of this family, as is the Busan partnership. A 2008 Oxford Policy Management (OPM) study provided detailed analysis of some of the existing mechanisms and its impact at the international level.[43] The study correctly stated that the challenge of MA is to promote change in behavior in the absence of legally binding enforcement mechanisms, and against a backdrop of power imbalances. So, their success is about creating and sustaining a "logic of participation" rather than a "logic of compliance". Along the analysis in part II, in the face of nonexistent enforcement mechanisms other credible incentives, pressure from different stakeholders (social accountability) and direct linkages with domestic accountability become even more important. To succeed, three key elements must be present: (i) credible, time-appropriate and high-quality information to monitor and asses commitments (evidence); (ii) legitimate commitments backed up by domestic accountability mechanisms (ownership); and (iii) both formal and informal spaces for debates that inform high-level discussion.

The OPM 2008 report also concluded that, despite the proliferation of mechanisms to monitor MA, most of them are working in isolation with no clear system and links among them. Potential synergies are yet to be exploited. In this regard, they presented two important recommendations. The first is to *build a genuine, mutually reinforcing, system*. This involves building synergies between individual accountability mechanisms, both official and non-official, and harnessing their complementary strengths, particularly in terms of "ownership" and "evidence". This may imply scaling up but also eliminating some mechanisms in place. The second recommendation is *to strengthen the evidence base available* through greater quality, independence and transparency of information from donors and partner countries and support for

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[43] Droop *et al, op. cit.*

enhanced monitoring by non-government sources. There are few monitoring mechanisms that assess donor performance at the individual basis and, as already noted, providers are virtually the only source used by global MA mechanisms.

In conclusion, the concept of MA has to evolve to guarantee ownership at the national level and symmetry at the international level. At the national level, where coherence is still weak, MA needs to establish real links between development cooperation and development goals and plans of partner countries, with clear targets and indicators for both donor and partner countries. This should be done in close interaction with other stakeholders. Parliaments are particularly important and essential, not only for democratic decision-making but also for higher levels of accountability. At the international level, balancing the inherent power asymmetries is mandatory for a MA to be an effective mechanisms for horizontal accountability. This requires a stronger voice for partner countries to overcome the imbalances in the aid relationship, strong surveillance of commitments by independent Secretaritas, as well as high-profile political debates. High quality regular monitoring of individual donor performance is crucial, which could be linked to the existing peer review process of OECD-DAC since peer pressure in this mechanism has proven to be effective. It is also important to exploit the complementarities between existing accountability mechanism at the national and international level and foster possible synergies. This is the basis for the triangular, multi-layered architecture proposed in this report.

Finally, it is important to highlight again, as the UN 2010 *International Development Cooperation Report* does, that MA is a means and not an end in itself. Until now, MA at the international level has focused more on the "how" to manage and deliver development cooperation –i.e., an assessment of donors' efforts to comply with their commitments to those principles that experience suggests lead to effective aid (the Paris and Busan principles). It has been accountability on the process of cooperation for development rather than on its impacts on development outcomes. This gap is especially important when talking of a global development agenda. A clear mechanism to hold *all* countries accountable for the wide international development results is missing with direct responsibilities and expected outcomes of cooperation for development.

2. *South-South Cooperation*

The concept of South-South cooperation (SSC) refers to the processes, institutions and arrangements designed to promote political, economic and technical cooperation among developing countries in pursuit of common development goals.[44] SSC is regarded by developing countries as an alternative type of cooperation and, unlike North-South cooperation, is seen as cooperation *among equals,* rooted in solidarity. For this reason, developing countries have repeatedly pointed out that South-South cooperation is not governed by the same rules as traditional aid and has its own modalities: "South-South cooperation is a common endeavour of peoples and countries of the South, born out of shared experiences and sympathies, based on their common objectives and solidarity, and guided by, inter alia, the principles of respect for national sovereignty and ownership, free from any conditionalities. SSC should not be seen as official development assistance. It is a partnership among equals based on solidarity."[45] These views are also captured in the principles agreed by G-77 and China (see Table 3).

Insert Table 3

SSC obviously broadens the availability of development cooperation, both in terms of donors and contents. It is as an opportunity to gain greater independence from a limited number of donors. This is particular important now, when North-South cooperation is decreasing. It also includes cooperation in fields that have not been in the priorities of developed country donors in recent decades, such as infrastructure. The principles that underlie SSC may also facilitate higher alignment with national priorities, and it character as cooperation among equals can also generate positive synergies.[46]

In any case, understanding its comparative advantages as well as its limitations is necessary to fully reap its potential. Furthermore, although it is a complement rather than a substitute for North-South cooperation, there are possible synergies between the two that can be exploited through "triangular cooperation" –i.e., the partnerships between DAC donors and

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[44] South Centre, *South-South Cooperation Principles: An Essential Element of South-South Cooperation*, Geneva, November 2009, and United Nations, *Evaluation of UNDP contribution to south-south and triangular cooperation* (2008-2011), New York, 2013.

[45] United Nations, *Resolution Adopted by the General Assembly: Nairobi Outcome Document of the High-Level United Nations Conference on South-South Cooperation* (A/RES/64/222), February 2010.

[46] See UN-DESA, *International Development Cooperation Report 2014*, draft chapter on South-South cooperation.

"pivotal countries" (providers of SSC) to implement development cooperation programmes/projects in beneficiary countries.[47]

Among the challenges that it faces, the first is the absence of a clear definition of what separates SSC cooperation in general from development cooperation in particular –or, in the terms of this report what separates SSC in a broad and in a narrow sense. This means that it is essential to clearly separate the economic activities that are regulated by trade, investment, financial and economic integration agreements from non-profit making mutual exchange and solidarity activities as such –i.e., technical cooperation and concessional lending or transfers. The second is a lack of clear shared principles and guidelines for an effective SSC. As all areas of international cooperation, accountability should be introduced, but this requires a shared set of principles that go beyond the correct but very broad principles that have been adopted. Beyond that, and as stated throughout this study, agreement on objectives, priorities and targets is essential, and is the point of departure for any form of accountability –of the dimension of "responsibility".

Despite its potential, deficient information on SSC makes transparency, accountability and analysis of its impact on development more difficult. However recent trends and application of best practices has had major improvements in the degree to which SSC partners are reporting recent, current and intended disbursements to partner country authorities for inclusion in national databases on development cooperation, as well as in national budgets. There are strong and accelerating trends towards more publication and transparency among virtually all providers.

There has been some progress in several of these areas in a series of meetings on SSC. Thus, in the last informal exchange under the auspices of the DCF among Directors-General of Southern Partners in Addis Ababa in June 2013, one of the understandings was over the need to define how the SSC principles apply and operate in practice and specific measures and indicators to assess its impact.[48] In the earlier "Conference of Southern Providers on South-South Cooperation: Issues and Emerging Challenges", organized jointly by the Research and

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[47] Talita Yamashiro Fordelone, "Triangular Cooperation and Aid Effectiveness", Paper prepared by OECD for the Policy Dialogue on Development Cooperation (Mexico City, 28-29 September 2009), p. 4.
[48] UN-DESA, *Report on the Meeting of Directors-General of Southern Partners*, Addis Ababa, June 7th. 2013.

Information System for Developing Countries (RIS) and UN-DESA in New Delhi in April 2013, important recommendations were made over the way forward for SSC.[49]

These recommendations, which should be subject to further debate and action, include:

- Strengthening systematic collection as well as evidence-based research and studies on the effectiveness and impact of SSC.

- Equally, strengthen evaluations of SSC programmes and projects, which are essential for peer learning, transparency and institution building.

- Continue the process of establishing Southern providers' own development cooperation agencies or specialized divisions across respective Ministries.

- Establishing credible and inclusive platforms to address issues of common interest. There is agreement, in this regard, that existing institutions, including OECD/DAC, the IBSA (India/Brazil/South Africa) Dialogue Forum and BRICS, lack either credibility or inclusiveness. It has also been cautioned that the concept of a "Southern DAC" risks repeating the mistakes of the North in reaffirming a "give and take" relationship".

- Strengthening multilateral and regional support

- Cultivating coherent response to the Post-Busan and other global processes. In this regard, partners agreed that the South should shift from a reactive mood to a proactive approach to global processes, which would allow the South to have an increasing voice in the field of development cooperation.

With respect to a global accountability framework, the creation of special agencies or offices in charge of development cooperation can have important implications, as they can be important actors in the development cooperation debate, demanding and promoting accountability both at the national and international levels. A three level architecture like the APRM could be replicated for SSC, and built upon these new agencies to link cooperation for development both with national priorities and accountability mechanisms as well as with wider development goals at the international level.

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[49] UN-DESA and RIS, Conference of Southern Providers, *South-South Cooperation: Issues and Emerging Challenges,* Conference Report, New Delhi. April 15th-16th, 2013.

It is still unclear how SSC cooperation should be included in a global architecture of accountability for an effective cooperation for development in a UN framework. However, if we distinguish economic exchange from mutual support and solidarity, they must have separate spaces for accountability.

3. Accountability of non-governmental actors in development cooperation

The concepts of cooperation and the global partnerships for development have changed in order to include new forms of cooperation and new actors. Nowadays it is widely agreed that global partnerships or issue-based alliances for action must be multi-stakeholder, and include the business sector, non-profit organizations and civil society, as well as the communities themselves.[50] In the discussion of proper accountability mechanisms, it is essential, however, to differentiate between those that would apply to the business sector and those that should for non-profit non-governmental cooperation.

The debate on the role of private business has primarily focused on determining the specific areas where the private sector can best be involved in development cooperation. The High-Level Panel and other studies, like a recent paper of Brookings Institution,[51] give important directions in this regard. They include environmental sustainability, innovation and technology, and employment creation. Less attention has been given to how to make the private sector accountable for the commitments and development results.

Up until now, such accountability has been realized by "spotlights" mechanisms like NGO rankings and reports, which monitor private firms in different dimensions, based on common and shared principles. The Global Reporting Initiative (GRI),[52] for example, monitors the sustainability performance of private firms according to some sector guidelines and principles. An increasing number of private firms have joined the GRI. Systematic sustainability reporting can help organizations measure, understand and communicate their economic, environmental, social and governance performance, and build trust in organizations.

The GRI Guidelines are used in combination with other initiatives in order to foster possible complementarities and synergies. GRI has global strategic partnerships with the OECD,

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[50] See in this regard the High-Level Panel report, *op. cit.*, Executive Summary, bullet 5.
[51] Homi Kharas, "Reimagining the role of the private sector in development", *Brookings Blum Roundtable Policy Brief*, Brookings Institution, September 2013.
[52] See https://www.globalreporting.org/Pages/default.aspx

UNDP and the United Nations Global Compact. Its Framework enjoys synergies with the guidance of the International Finance Corporation, the International Organization for Standardization's ISO 26000, the United Nations Conference on Trade and Development (UNCTAD) and the Earth Charter Initiative. Commitments of private actors toward a global development agenda could be built upon the experience of the GRI.

There is another mechanism through which civil society, in this case consumers, are making private firms accountable. As consumer's awareness on development goals has expanded, their demand for "green" of "socially-equitable" products has increased. As a result, private firms have become more accountable differentiating their products with formal certifications like the green- or fair-trade tags, such as the Rain Forest seal.[53] Furthermore, in contrast to inter-governmental accountability mechanisms, which may lack credible incentives or binding tools, consumers do have ways to "reward" or "punish" private firms, such as by paying more for products that meet certain standards, stopping consumption or even organizing an international boycott on a product or firm that does not meet such standards.

A challenge remains on how different forms of accountability of the business sector could be integrated with other global reporting and accountability mechanisms on global development goals. In any case, such accountability has to go beyond the usual concept of Corporate Social Responsibility and gradually include an evaluation of how *core* business practices contribute to development –and not only through the social and environmental footprint. This is particularly urgent in those (growing number of) cases where development assistance is being received to catalyze private sector investment. In this case, business engagement should be seen as a tool through which both donors and partner national governments can better achieve their existing objectives, rather than separate programs.[54] Again, at the country level, alignment with national development plans is essential. At the international level, the UN Global Compact could play this role in this regard, but under the umbrella of DCF.

A report of the Overseas Development Institute (ODI) made three specific proposals in this area:[55]

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[53] http://www.rainforest-alliance.org/certification-verification

[54] William Smith, *How donors engage with business,* Overseas Development Institute, London, July 2013.

[55] Paula Lucci, *Business and a post-2015 development framework: Where next?,*,Overseas Development Institute, London, March 2013.

- Propose a separate accountability framework for businesses, harmonizing different frameworks and identifying core indicators based on existing frameworks, such as the GRI.

- Step up work on human and natural capital accounting methodologies to make it possible to put a value on the non-financial impacts of the private sector on development.

- Under a transparency/governance goal, recommend that governments set mandatory reporting for large businesses as a listing requirement.

Civil Society Organizations (CSOs) are, of course, a quite different and itself a diverse set of non-governmental actors, which play an increasing role in the development field, both through their exercise of social accountability and the specific development programs they undertake. In the 2010 Open Forum on Global Assembly in Istanbul, eight guiding principles were agreed for CSOs be effective actors for development.[56] These are: (i) respect and promote human rights and social justice; (ii) embody gender equality and equity while promoting women and girls' rights; (iii) focus on people's empowerment, democratic ownership and participation; (iv) promote environmental sustainability; (v) practice transparency and accountability; (vi) pursue equitable partnerships and solidarity; (vii) create and share knowledge and commit to mutual learning; and (viii) commit to realizing positive sustainable change. The Second Forum in Siem Reap, Cambodia, in 2011, advanced on the agreement of these principles and the explicit objectives for their implementation, with indicators to monitor advance and a definition of a role for social accountability. On this last point one the objectives of the forum was to define how to "advocate to governments for a more enabling environment for CSOs to operate".[57]

We should emphasize that CSOs should also align their efforts with wider development processes, both at the national and international levels. In the area of our concern, this means that their social accountability function must have a clear link with other accountability mechanism, particularly with those of national parliaments at the country level and MA frameworks at the international level. Equally, as actors of development, CSO cooperation should be aligned with national priorities and development strategies and with wider development goals, and should interact actively with other development actors. An interesting example is the Equator

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[56] http://cso-effectiveness.org/IMG/pdf/bt-cdt_may_30_final_version_3_framework_for_cso_dev_eff_doc.pdf
[57] http://cso-effectiveness.org/IMG/pdf/international_framework_open_forum.pdf

Initiative,[58] which promotes partnerships in concrete projects for local sustainable development, bringing together the United Nations, governments, civil society, businesses and grassroots organizations,

There have also been attempts to define shared principles and guidelines for private donors to comply with their responsibility as development actors and be more accountable for their actions. The study of the Council on Foundations and the European Foundation Centre for example, proposes principles that should guide international philanthropy for higher effectiveness and better accountability.[59] In turn, an important initiative un relation accountability is the INGO Accountability Charter which defines itself as a global, comprehensive cross-sectoral accountability framework for NGOs driven by NGOs.[60]

Finally, we want to emphasize that all non-governmental actors should also be guided by the same principles in relation to partner countries that have been defined by the Paris Declaration on Aid Effectiveness. This is particularly important in those cases in which non-governmental actors are being used by donors as channels for their cooperation, including, as noted, those in which development assistance is being used to catalyze private sector investment. In this sense, a shared agenda with specific responsibilities of non-governmental actors, should be part of the global cooperation architecture.

V.   Designing a better accountability framework for development cooperation

 Accountability mechanisms at the international level are constrained by several characteristics of global governance. Enforcement mechanisms are absent, except for a subset of areas that are not relevant for issues discussed in this report. In the area of development cooperation, limitations are furthermore associated with the voluntary and non-binding character of commitments. Accountability is thus limited to answerability and its necessary counterpart, responsibility. The latter requires a clear definition of the commitments of each actor as well as the indicators and targets that determine whether commitments are being met.

Also, and compared to similar mechanisms at the national level, vertical accountability is absent at the international level, and horizontal accountability is constrained by the nature of

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[58] See http://www.equatorinitiative.org/index.php?lang=en
[59] European Foundation Centre, *Principles of accountability for international philanthropy,* developed by the joint working group of the Council on Foundations and the European Foundation Centre, April 2007.
[60] See http://www.ingoaccountabilitycharter.org/

inter-governmental governance. Only social accountability has a similar space as in national debates.

The best forms of horizontal accountability in international development cooperation are peer reviews/pressure and strong surveillance by the Secretariats of international organizations; we consciously use the word "surveillance" here, even if the term should be used only when commitments are binding. In our analysis of different forms of cooperation, the surveillance mechanisms that rank best are the peer review process in OECD-DAC and the African Union. The basic advantage of peer reviews is that they foster accountability through stronger peer pressure, which in turn generates more credible incentives to comply. Mutual accountability ranks next, but it continues to be plagued by the asymmetries between donor and partner countries that characterized the older forms of cooperation it was supposed to replace. In particular, it has proven more successful in changing partner than donor countries' behavior. In our view, the weakest form of accountability has been the monitoring of MDG-8, which is itself a fairly ad-hoc set of targets and indicators that for most analysts are inadequate in view of what the Global Partnership for Development means.

Aside from OECD-DAC, peer reviews could also be used in South-South cooperation. Indeed, since peer reviews are a mechanism to be developed in relations among "equals", it has a broad scope in South-South cooperation and in regional cooperation among developing countries. Mutual accountability in the context of the Busan Partnership should continue to be strengthened, particularly by making it more symmetric. For the rest, strong monitoring and surveillance mechanisms have to be put in place with a clear "institutional home" –i.e., an intergovernmental process where the associated reports are subject to high profile debates.

In the absence of vertical accountability and enforcement mechanisms, this system of international horizontal accountability uses peer-pressure and strong monitoring/surveillance as a way to generate incentives to meet commitments. But, given its inherent limitations compared to horizontal accountability at the national level, it is essential that this system should be strongly tied to national accountability exercises and supported by very active international and national social accountability. Of course, and beyond its links with international horizontal accountability, national accountability is important in itself.

Given their differential history, characteristics, forums and decision-making bodies, a strong *triangular accountability architecture* has to be put in place, which would include the three elements of development cooperation: North-South, South-South and non-governmental.

The basic point of departure in all cases should be *explicit agreements* on principles, commitments and standards of development cooperation, without which no accountability exercise can take place. This practice applies today only to North-South cooperation, through the Paris Declaration on Aid Effectiveness and the Busan Partnership. Even in this case, however, many developed countries do not recognize as commitments the half-century old target to provide ODA equivalent of 0.7 per cent of GNP, and the more recent to allocate 0.15-0.20 per cent for LDCs. In turn, the principles of South-South cooperation that have been agreed lack explicit standards and commitments upon which to base an accountability exercise, and no principles have been agreed on development cooperation by non-governmental organizations.

The building of a better accountability architecture for development cooperation should thus start by overcoming these fundamental problems. This means that OECD-DAC should adopt an explicit commitment to the UN targets of development cooperation, as the European Union did in the run up to the 2005 UN Summit –a commitment that, nonetheless, only a few countries have met or are strongly committed to meet. In turn, the relevant forums from the South should adopt explicit standards for South-South cooperation. This should include a clear separation of the economic activities that are undertaken as part of normal economic relations from South-South development cooperation in the narrow sense (technical cooperation and concessional lending or transfers). In the case of civil society/philanthropic organizations and the business sector, explicit standards should also be set, building upon existing frameworks already mentioned in the previous part of this report, which could be mainstreamed into the global accountability architecture.[61]

As pointed out in several parts of this report, it should not be forgotten that accountability is an *instrument*, not an objective in itself. So, the purpose is not so much to manage the cooperation process as to *deliver results*. Also, the system that is put in place should provide a platform for learning and sharing good practices and, more broadly, to promote development

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[61] In the case of the private sector, they could also use the UN Global Compact, and in this as well as CSO, the future UN Partnership Facility, if it is created.

progress at the global level. Thus, the accountability exercises should avoid indictment and focus on building better practices.

The triangular accountability architecture should build upon the existing frameworks, and enhance their linkages and complementarities. It should also enhance the communication among existing processes and avoid duplicating efforts. A unique global accountability report should be developed at the global level, which would include the current *MDG Gap Report* and the *International Development Cooperation Report*. Coordination of global cooperation, and the associated global accountability, should have a clear "institutional home", which should be ECOSOC's Development Cooperation Forum.

The accountability mechanism should aim at creating credible incentives. This would always be a challenge given the inherently weak nature of international accountability frameworks. Currently, the OECD-DAC peer review is the only accountability mechanisms in place were donors have, through peer-pressure and strong surveillance, credible incentives to comply with agreed commitments and standards. It should be the benchmark to design the global framework. But even in this case, it has failed to fully take into account the Paris and Busan commitments, as reflected in the asymmetric character of the Busan Partnership. Linking the OECD-DAC peer reviews with the existing mechanisms in a global accountability framework could increase the incentives for donor countries to comply with these commitments.

As highlighted in several parts of this report, creating credible incentives also requires, going beyond common principles and goals. A base document delimiting the responsibilities of different actors, with explicit tasks and commitments, is an essential complement to explicit agreements on principles and standards of development cooperation, and an essential catalyst to foster higher accountability.

The triangular architecture should also be *multi-layered*. So, aside from global processes, regional ones could be put in place, including peer-review processes, which could be coordinated by the UN regional commissions. But, even most important, given the inherently weak nature of international accountability, *national counterparts are essential*. In this area, we want to underscore the *crucial role of national parliaments*, as the formal institution in charge of making governments accountable for international commitments. As OECD-DAC is the most advanced standard in terms of accountability, the architecture of the African Peer Review Mechanism is

the best standard in terms of a multi-layered architecture. Linking national with international social accountability is also essential; this is an area where there is already advance. Also, to improve on their accountability dimensions, the global accountability report must go beyond monitoring to mobilize social accountability in regional and national debates.

A multi-layered architecture with strong domestic counterparts requires capacity building at the national level in partner countries and strong autonomous and impartial Secretariats of international organizations, in this case of the offices of the United Nations in charge of global monitoring, surveillance and coordinating the development cooperation architecture –i.e., UN-DESA, supported by UNDP, UNCTAD and the World Bank.

Accountability also demands academic and policy-oriented research with a focus on what forms of cooperation deliver better results. Such analyses should, in turn, feed back into the accountability exercises. As already highlighted, a focus on results, and thus specific indicators and targets that link development cooperation with expected results, are also essential.

Using the terminology of High-Level Panel's report, both research and results-oriented actions require a "data revolution". But it should be clear that, even more than sophisticated data for policy analysis (e.g., innovative composite indicators or the experimental surveys en vogue in economics), the priority should be quality information about public sector spending and services, and basic data on economic and social indicators from national statistical offices of the developing countries that lack them. It does not make sense to increase the sophistication of the information available on living standards when countries cannot produce high-quality data on the quantity and quality of basic social services, employment, poverty and inequality – or even on production and GNP—, and therefore international organizations have to "guess" the data of those countries for global monitoring.

So, even more than a data revolution, what is essential is a major effort to raise the standards of the statistical offices of the developing countries to produce quality basic social and economic indicators. This is the most urgent "data revolution" that is needed and an area that should be itself a major focus of development cooperation. Triangular cooperation can be particularly useful in this case, as it would be a return to the era in which the UN Statistical Division played a crucial role both in developing better comparable national data as well as providing technical cooperation to national statistical offices to develop such data. In the case of

development cooperation data, strengthening the capacities of the relevant office at the national level is also essential.

Finally, it must be remembered that the proposals presented in this report refer to development cooperation "in the narrow sense" –i.e., primarily technical assistance and concessional finance. There are other dimensions of the Global Partnership for Development, as encapsulated in particular in the Monterrey Consensus, that relate to the rules and governance of global trade and finance and trade, but also issues of technology generation and transfer, as well as migration, investment, taxation and other areas. For these dimensions of development cooperation "in the broader sense", accountability frameworks should also be put in place of the design of the post-2015 agenda. Furthermore, a clear link between both mechanisms of accountability, in the narrow and broader sense, should be created.

The best way forward would be the design of a strong follow-up mechanism of the Monterrey Consensus that would replace the extremely weak one that was put in place over the past long decade. This issue should be at the center of the forthcoming follow-up Conference on Financing for Development to be held in 2015 or 2016. UNCTAD could also be called to fulfill some of the tasks of monitoring elements of this broader agenda, as it in fact has been doing through its history. However, given the specific scope of the DCF consultations under way, these dimensions of the broader accountability for development cooperation are beyond the objectives of this background report.