



## 2012 Development Cooperation Forum

### INTERNATIONAL MUTUAL ACCOUNTABILITY: VITAL TO PROMOTE BEHAVIOUR CHANGE

Expert Group Meeting on “Reinforcing international mutual accountability”

Luxembourg, 17 October 2011

#### KEY MESSAGES AND RECOMMENDATIONS

The objective of this expert group meeting was to identify recommendations to reinforce international mutual accountability (MA) mechanisms to ensure all actors live up to past aid commitments.

It addressed the following four themes, which needed greater attention:

- representation of all relevant actors in planning and implementation of the work of global mutual accountability mechanisms to ensure legitimacy and ownership;
- breadth and relevance of information and evidence base for country-level users;
- impact on behaviour of individual providers and other stakeholders at country level; and
- coordination among various global mechanisms and linkages to national level mechanisms.

#### 1) THE ROLE OF MUTUAL ACCOUNTABILITY IN A CHANGING DEVELOPMENT LANDSCAPE

Mutual accountability (MA) is a two-way relationship between providers and recipients of development cooperation. It refers to the responsibility of actors to deliver on commitments made within an agreed framework. It is a vital concept to respond to the growing concern of many, including taxpayers, to ensure the effective use of aid monies at country level towards long-term development results.

**Limited progress at country level.** There are inherent power imbalances in development cooperation partnerships. Stakeholder involvement is limited. Turnover of staff in developing countries is high and institutional capacities are limited. Due to these various factors, MA did not gain traction nor impacted on development outcomes in more than 15-20 countries so far. Provider compliance with aid effectiveness goals has only increased in some instances, e.g. on predictability and donor coordination. Yet, there is great demand for accountability in many countries, particularly in countries affected by conflict and vulnerability. MA has also shown to be instrumental in strengthening country leadership and ownership of the development process.

**What are success factors for greater accountability at technical level?** Evidence has shown that mutual accountability can generate positive impact and improve aid contributions to long-term development results. At least three factors are critical for stronger accountability: (i) an aid policy that spells out how aid is provided and that contains agreed targets for the government and individual providers around a shared agenda. Such an agenda needs to build on national and sectoral development priorities and to be designed in consultation with all national actors. (ii) aid policies should be directly linked to national performance assessment and results frameworks, aid databases and independent analysis from non-executive actors. (iii) evidence emanating from such tools needs to be discussed in inclusive platforms at sectoral and national level, with high-level political buy-in from donors and programme countries. Any evidence-based exchange needs to recognize the change in the overall political landscape in many donor countries characterized by stagnant or reduced aid budgets and the concern for making development cooperation more effective.

**Governance and accountability.** Low compliance and overly complex systems also stem from wider governance issues at country and at the global level. They are one reason for the proliferation of mechanisms and for the overburdening of small country-level aid management teams in data collection and reporting. In the few existing

champion countries, the functioning of MA greatly benefitted from long-standing partnerships between developing and developed countries, relationships of trust, as well as peer pressure and learning. Global level activities provide incentives to deliver on commitments made, even though it is not possible to 'sanction' donors for non-compliance on aid effectiveness or aid delivery.

## **2) THE INTERPLAY OF NATIONAL AND GLOBAL MUTUAL ACCOUNTABILITY MECHANISMS**

**Global MA can play a catalytic role, if it is better linked to work on the ground.** To exert greater pressure vis-à-vis individual development cooperation providers at country level, MA processes at the global level can promote the delivery on commitments made through various global frameworks, including at the UN through MDG8, the DCF and Financing for Development processes. They may thus create space for political buy-in and informed dialogue on what works and what does not and why. They should also help to bring greater balance in unequal partnerships at national and global levels. MA thus has the potential to provide the cement for an inclusive global development environment that is open, inclusive and responsive to country needs in the spirit of the evolving post-2015 development agenda.

So far, global MA tools have had some impact on the efforts of developing countries to make progress in delivering on aid quality commitments and in making MA at country level more inclusive and mutual. Evidence shows that global mechanisms can be particularly relevant in changing the behaviour of donors on the ground, especially if programme country governments have detailed aid policies with targets for individual providers. Programme countries however rightfully mention that there are many more indicators/targets applying to them. This reflects inherent dependency relationships.

**Challenges at global level persist.** The increasingly diverse landscape of MA tools consists of spotlights and independent reports, peer reviews and two-way mechanisms. Their impact on the effectiveness of development cooperation on the ground has been limited so far. This is partly due to the dominance of donor countries and the lack of sufficient evidence on the activities of individual providers in individual programme countries. Many non-executive leaders are said to not be aware of the potential and value added of strong domestic and mutual accountability for the development prospects of their communities. This points to the importance of continued international facilitation of peer exchange on how to facilitate multi-stakeholder consultations on aid issues.

Many independent reports, for example by civil society organizations, are considered by governments to be relevant sources of analytical work. At the same time, intergovernmental processes, which enjoy higher degrees of ownership, fail to provide adequate analysis or only agree on the smallest common denominator as a basis for holding programme countries effectively answerable.

**Global MA should remain a vital component of any effort to make the use of aid more effective.** Intergovernmental MA mechanisms such as the Paris Declaration Monitoring Survey and the DCF have a 'door opening function' as they provide the rationale for aid quality debate and mutual accountability at country level.

**MA on beyond-aid issues?** Challenges remain to broaden MA to cover a larger range of development-related policies, for example, to agree on targets for non-aid policies within donor governments. There is scope for using MA mechanisms for a more broad-based dialogue on beyond-aid issues with impact on development, including on issues such as trade, investment and debt relief. Civil society organizations underscored that these discussions need to come in conjunction with a reaffirmation of existing commitments. Busan and the 2012 DCF provide unique opportunities to look at effective development cooperation and how lessons from the aid effectiveness agenda can be used to also discuss accountability for other development financing based on the demand of programme countries.

**Bringing non-DAC providers to the table?** The growing role of the BRICs and emerging donors has spurred debate on how to engage them into MA dialogue processes. In light of the different nature of South-South Cooperation, which is based on country demands, it was said to be difficult for BRICs to report within existing DAC-led structures. Yet, the need to collect data and make it public was also stressed.

**Using existing spaces for high-level political dialogue.** As an important tool to exert pressure on development actors, the diverse set of global MA tools should feed into an inclusive policy dialogue at highest political level. As an open multi-stakeholder platform and global apex body for MA, the DCF should continue to map different global MA tools and discuss their nature, scope and limitations. It should continue to take a comprehensive view of efforts made in different contexts to hold actors to account for aid and development effectiveness commitments. Discussions should build on existing agreements and address the interface between aid and other sources of development financing and the areas where they are spent.

Such dialogue should be based on the needs of developing countries. It should lead to suggestions on how to better use the findings of various mechanisms so as to assess all relevant aid quality criteria. It would be useful to develop a portal to access best practices on MA at country and local level and their link to results. Such minimum standards and best practices of national MA need to be more widely shared to raise the goalpost for MA. It was also suggested to distil lessons learned from central MA features and principles. This would offer a series of options to developing countries for enhancing their own MA mechanisms. Linkages to different mechanisms were suggested, including the Human Development Index of UNDP, to assess the impact aid has on the ground. A challenge remains to ensure that the recommendations from the vast variety of local and grassroots MA processes are not getting lost.

### **3) DEFICITS AND SOLUTIONS: STRENGTHENING PARTNERSHIPS ACROSS THE BOARD**

#### ***a. Representation of development cooperation actors***

**Rectifying the balance of MA mechanisms.** Participants reaffirmed the importance of ensuring balanced participation of donor and programme countries, Southern providers, parliaments, NGO representatives, local authorities and the private sector in any policy dialogue on development cooperation at national level. This also applies to MA processes with scope beyond the country, for example, peer reviews or independent reports on aid issues. Southern providers reaffirmed that they do not monitor results in the same way as DAC donors do, but are willing to share audited information. As their provision of development cooperation is largely demand driven, their participation in MA mechanisms should be facilitated in light of the different nature of their support. Civil society organizations were seen as vital development actors and advocates of domestic accountability. Yet, they shared varied difficulties they face in engaging with government leaders and accessing information on aid issues. While governments stressed that money channelled through CSOs can not be assessed easily by governments, CSOs noted that major global NGOs provide data on their activities and align their work to international accountability charters. In addition to their key roles in national planning, budgeting, anti-corruption and audit, parliamentarians need to be more systematically engaged in MA mechanisms at country and international levels. This would foster greater domestic accountability. Yet, parliamentarians are often seen as politically dangerous, especially if they are from opposition parties.

**Allocating more resources to MA-specific capacity at country level.** Governments, civil society organizations and parliamentarians lack resources to measure impact and engage in MA. Their resources need to be scaled up dramatically for MA mechanisms to work. National and international MA mechanisms should consider assessing capacity needs of these actors in a more structured manner. Aid investments should be based on what they can contribute to making MA more robust and to enhance development effectiveness. At this point, most actors, including citizens themselves, are not aware of how aid is being channelled nor of independent/global mechanisms that could help them to exert pressure, unless they are involved in data collection processes. Their involvement needs to start early on to ensure ownership and responsiveness to stakeholder concerns. Lack of statistical, analytical and reporting capacities are other constraints at country level.

#### ***b. A broader evidence base***

**Independently monitor and evaluate outcome and impact of development efforts.** The evidence base of both national and international MA mechanisms and instruments would benefit from more detailed and timely information on the behaviour of providers of development cooperation. Although they are the most reliable

sources of such information, M&E systems and other local monitoring processes are often weak and need greater capacities. Too often, analysis of what really happens on the ground is based on weak or biased evidence, and overly positive assessments are being used for high-level debate. International MA instruments are thus vital as they provide independent, credible information. Similar to the national MA mechanisms, they need to better measure the impact and quality of development cooperation. Their focus should switch from input and output indicators, to outcome and impact measurement.

**Sharing of Information.** More credible databases and efforts to disseminate information are also key to ensuring long-term engagement of stakeholders in MA dialogue. A particular focus should be placed on ensuring engagement in contexts of fragility, building on global agreements such as the New Deal and the g7+ initiative which provide the right momentum. Different providers also stressed the need to collect data and make it public.

**All actors need to step up their efforts.** To this end, the analysis of grassroots organizations, audit offices and parliamentarians should be scaled up and more systematically used in performance assessments led by governments and others. Work by civil society on the economic impact and ultimate use of aid (e.g. on procurement) has been widely recognized, but more needs to be done (e.g. on political constraints to the use of country systems or the impact of South-South cooperation). Global surveys on MA were also found to be useful tools and catalysts for behaviour change, and were further encouraged. Programme countries should also be supported in making information on their activities more transparent and useable. In particular, it is important to encourage discussion among practitioners responsible for projects and programmes in provider and programme countries. This helps to build trust and facilitates development of indicators against which progress can be assessed.

**Sectoral MA as an entry point.** Good practices show that sector-level MA processes can boost the quality of national and international MA analysis. Different actors, including NGOs, can successfully host sectoral working groups. These groups may benefit from coordinated support of donors. Civil society and grassroots organizations are key in providing independent inputs. At the same time, there is need to reinforce collaboration among sectoral efforts and their impact on global governance discussions.

### ***c. Drivers of behaviour change***

**Promote partnerships for change.** A successful strategy has proven to be investing in inclusive partnerships with programme countries and, through these, customizing MA tools at all levels based on comparative advantages. MA work with programme countries needs to build on existing analytical work, including for the Paris Declaration Monitoring Survey and the DCF MA survey reports as well as other aid quality analysis. They should be driven by the goal to generate discussions on aid quality on the ground. It is important to ensure a feedback loop between global level agreements on MA standards and country level policy making and the activities of practitioners.

**Empower donors on the ground.** Participants stressed that the lack of authority of donor representatives in the field was major obstacle. In order to take more informed and quicker decisions on how aid budgets are being spent in specific projects or programmes, or through other modalities, the quality of work of field staff and communication from headquarter should be more consistent and based on a clear policy framework.

**Involve the appropriate political level.** A major challenge is to ensure consistent engagement in global MA mechanisms at political level. The United Nations, specifically the DCF, are well positioned to bring global leaders from governments and non-executive stakeholders together. It can also engage representatives of different fora and mechanisms. At country level, the attention of national leaders can be attracted by engaging media to report on donor performance and by including actors beyond the traditional development community in MA dialogue.

**Make better use of media.** Inclusiveness and a good evidence base are key preconditions for global MA mechanisms to trigger behaviour change among providers. Civil society organizations have taken a strong stance in systematically addressing misappropriation and the lack of transparency and accountability of individual providers. Participants advocated for shaping public opinion through media strategies going beyond 'naming and shaming'.

Such approaches are best applied at local levels. National politicians are often not sensitive to failure to reach aid targets. In some countries open fora at local level were said to be effective tools to hold managers to account for the public funds they are entrusted with.

#### ***d. Coordination and feedback loops***

MA is still in its infancy and going through a process of maturation. As such, it would be a mistake to try to limit the number of MA mechanisms. In the future, greater differentiation needs to be made between the different types of global MA tools to clarify their roles and in order to harmonize them.

**Harmonize and simplify at global level.** It is essential to use existing global platforms to regularly discuss what works and what does not in terms of MA. Harmonizing efforts and bringing different mechanisms closer together would help to encourage delivery on promises made. Making better use of synergies between the different MA tools is critical too, for example, within the CSO community or international organizations. The dissemination of findings from different tools and processes could be encouraged by more formal linkages between them, including through briefings and other forms of information exchange. Independent reviews should be an integral part of global MA and should be strengthened by linking them with official reviews as a way to increase ownership and impact. Knowing the comparative advantages of different mechanisms should help determine a clear division of labour among them. Donors would need to better fund agreed global mechanisms and tools so as to ensure their independence and quality.

**Define the role of MA in the evolving aid architecture.** Simplifying the landscape of international MA mechanisms hinges upon the convergence of associated international political processes. The Busan High-level Forum on Aid Effectiveness provides a useful occasion to discuss how to structure global arrangements. These should remain simple and build on existing mechanisms. Any MA process should be tailor-made, locally driven and responsive to actual needs and commitments made. All MA efforts also need to instil the discussion on the post-2015 agenda and how it affects the global development architecture.

**Agree on next steps in 2012.** Any new monitoring framework in 2012 should have at its centre the interplay of global, regional and national MA mechanisms. It should involve all relevant stakeholders and cover key financing flows, to the extent possible. A global-light governance structure, with MA at the heart, was favoured. It should however allow, for example, for regional or global peer reviews to be conducted in contexts where they are useful. To operationalize recommendations from the global level, governments should use existing MA mechanisms at country level. Country compacts could enable to discuss, adapt and implement such recommendations. At the same time, informed dialogue at global level depends on pragmatic, concrete and unbiased feedback loops from country level that also transmit data.

**Consider practical measures for implementation.** Providers need to continue to take centralized policy decisions that provide incentives for field staff to engage in the agreed international MA principles. In addition, the international community has to stay cognizant of the burden placed on developing countries to deliver on ever new recommendations emanating from global policy discussions. There is a lot to learn from South-South Cooperation in this regard. It will continue to be important to support non-executive stakeholders with specific global facilitation processes, such as networks of parliamentarians or umbrella organizations for NGOs.

**Discuss suggestions for 'monitoring light'.** CSOs underscored the importance of a global framework for monitoring progress based on a set of agreed indicators. Aid information could be provided through crowd sourcing approaches, rather than a mere focus on audited information, even though initial investment might be substantial. Global monitoring should start from key country-level challenges, such as the use of country systems. Sector-level mechanisms need to be more central. Regional mechanisms should better engage all relevant actors and connect adequately to global processes.