



Is mutual accountability feasible? A conceptual discussion with policy implications

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Abstract

Mutual accountability is one of five principles of the Paris Declaration on Aid Effectiveness. Yet comparatively little has been written about this principle and how it is operationalised. It remains ill-defined and poorly understood by the stakeholders involved. A review of the existing literature and analysis of experiences of operationalising mutual accountability, primarily in Africa, point to ways of strengthening this principle. This includes engaging in dialogue with multiple stakeholders on the full range of relevant issues before a mutual accountability framework is put in place. Also, a thorough political economy analysis of the entire mutual accountability chain, with a risk assessment as an integral part, should be undertaken. Donors should encourage recipient countries to introduce performance contracts for senior civil servants with a view to monitoring performance over time and to providing incentives for behaviour in accordance with the standards of a rule-based and accountable public service. Donors on the other hand should chart exit strategies that provide recipient governments with clear indications as to how long and at what level of support they are likely to engage under normal circumstances so as to ensure predictability of aid flows. Finally, a strong anti-corruption lens should be included in mutual accountability concepts and practices.

Abbreviations

AAA	Accra Agenda for Action
AML	anti-money laundering
APRM	African Peer Review Mechanism
CSO	civil society organization
DAC	Development Assistance Committee
ECOSOC	Economic and Social Council
GoM	Government of Mozambique
GoU	Government of Uganda
HAAP	Harmonization and Alignment Action Plan
IHP+	International Health Partnership and Related Initiatives
JAS	Joint Assistance Strategies
MoH	Ministry of Health
MoU	memorandum of understanding
OECD	Organisation for Economic Co-operation and Development
PAF	performance assistance framework
UNCAC	United Nations Convention against Corruption

1. Introduction

Mutual accountability is one of the five main principles contained in the *Paris Declaration on Aid Effectiveness* adopted in 2005. However, it is ill defined and poorly understood by the stakeholders involved. Furthermore, comparatively little has been written about this principle and its operationalisation.

This U4 issue paper attempts to synthesise the existing literature and review experiences that have been made by various stakeholders. We problematise and disaggregate the concept in order to unravel its complexity with a view to finding better ways of applying it in specific contexts, as well as to suggesting new perspectives and, finally, to make some recommendations. Moreover, we explore the negative impact that corruption may have on donor-recipient relationships and discuss how important anti-corruption measures are in this context in order to build mutual accountability. The analysis is enriched by many examples from donor-recipient experiences in Africa where we find the context for mutual accountability to be most challenging.

2. Accountability: The basics

Before delving into the mutuality aspects of accountability, a detour is needed through the basics of simple accountability relations. We present an ideal-type concept of accountability, which in real-life situations may be distorted and amended—often dysfunctional—especially in developing countries.

In its simplest form accountability denotes a principal-agent relationship between two parties, often formalised in legally binding contracts—especially in business and commercial relations—but not necessarily so. This paper discusses accountability relationships in the development assistance domain, typically between donors and recipients of aid. The brand of accountability between donor and recipient is usually a one-way relationship: the donor (the principal) is in a position to demand accountability from the recipient (the agent) for the use of the resources that the former has made available.

In the political realm accountability pertains especially to the relationship between the ruled (citizens) and those who rule (government). However, principal-agent relationships are found in many other spheres of life as well. Agents (for example, public officials) may have more than one principal (e.g., their social networks, not only their employer) to which they owe accountability. These different accountability relationships may be stronger or weaker, depending on context, as will be discussed further below. Ideally, periodic free and fair elections are the principal institutional mechanism of political accountability whereby the governed can hold their elected representatives to account. Citizens do this either by withholding their votes when dissatisfied with the performance of those elected to office or by casting their votes in favour to reaffirm their satisfaction when performance matches the expected standards.

A distinction is normally made between vertical and horizontal accountability within the polity. The former refers to the type of relationship described above between the governed and those who rule, typified by elections as the main mechanism. The latter, on the other hand, concerns the relationships between various state institutions such as those between the three branches of government (executive, parliament, and judiciary). Other state institutions that also play key roles in horizontal accountability include those commonly referred to as institutions of oversight or restraint: the auditor-general, anti-corruption agencies, ombudspersons, and so forth.

Mutual accountability is normally considered a form of vertical accountability—between donors and recipients as principals and agents, respectively. But the relationship is not always straightforward. First, donor agencies relate not only to recipients, they are also horizontally accountable to their own domestic constituencies and institutions, such as parliament. Similarly, the ways in which the donors insert themselves in the domestic arena in the recipient countries affect domestic horizontal accountability relationships, for example, between the executive, parliament, and civil society actors.

Transparency and accountability are usually considered in conjunction as twin concepts. Access to information and insight into decision-making processes are critical for accountability to materialise. If citizens are denied access to information they will be effectively cut off from holding their elected officers to account. Secrecy and covert operations are anathema to accountability. However, many states have antiquated laws on their statute books such as Official Secrets Acts, typically colonial legacies adapted to new circumstances. New legislation on access to information for enhanced transparency is often needed as an indispensable element towards greater accountability.

Answerability and enforcement are also integral elements of accountability. The former puts a name to the institution or person who is accountable; the addressee of demands for accountability is clearly determined. In practice, this means that the addressees have to explain and justify their action or non-action vis-à-vis the citizens. The enforcement element goes further. It means that a publicly stated, yet insincere, apology, without any real follow up, would not necessarily be acceptable. Elected officials

or persons in positions of trust would most likely not be re-elected or re-appointed or would be compelled to resign as an expression of enforcement. In egregious cases—such as corruption—indictment and prosecution might be the appropriate response. The point to underscore is that rules—either as informal, tacit understandings or formalised legal regulations—should be put in place to make answerability and enforcement a reality. It is worth noting, however, that a distinction be drawn between, on the one hand, “political enforcement” that would apply in particular to politicians and persons in positions of trust, and on the other hand, legal steps of enforcement that would typically address palpable breaches of the law, such as corruption.

3. The concept of mutual accountability

Since the official adoption of the *Paris Declaration on Aid Effectiveness* in 2005 (henceforth referred to as Paris Declaration), the donor community and aid recipients have been grappling with mutual accountability: how is it to be understood and, above all, how can it acquire operational meaning. So far, it has often been argued that it has remained merely a rhetorical term. Yet, 123 states, as well as nearly all leading international development agencies and civil society organisations committed themselves to implementing this principle in their practices. Among the five key principles of the Paris Declaration **mutual accountability** features last, after **ownership** (of development processes by recipient governments), **alignment** (of donor procedures with country systems), **harmonisation** (among donors), and **managing for results** in order to document achievements. The backdrop to the Paris Declaration was the unsatisfactory results achieved with previous aid delivery models, for example, conditionality. The underlying rationale was instrumental: to enhance the effectiveness of aid, even though the aid relationship has broader ramifications. Yet, in operational terms there seem to be contradictions or at least trade-offs to be made between these various principles. For example, in certain circumstances harmonisation of donor positions may not be in accordance with ownership or alignment. From the point of view of recipient governments, harmonisation among donors may be perceived as “ganging up” against them rather than conforming to the principles of ownership and alignment. In other words, the operationalisation of the Paris principles may not be easy in real situations.

While the first four principles have a predominantly effectiveness-enhancing purpose, mutual accountability is somewhat different in nature. It seeks—normatively speaking—to make the donor-recipient relationship more balanced. This normative import notwithstanding, mutual accountability no doubt also has an instrumental significance. The erstwhile conventional top-down accountability notion in the form of contractual obligations with a plethora of conditions attached was found not to work well. A new formula or institutional framework was sought.

The Paris Declaration states the following on mutual accountability:

BOX 1: MUTUAL ACCOUNTABILITY: DONORS AND PARTNERS ARE ACCOUNTABLE FOR DEVELOPMENT RESULTS (OECD 2005)

A major priority for partner countries and donors is to enhance mutual accountability and transparency in the use of development resources. This also helps strengthen public support for national policies and development assistance.

Partner countries commit to:

- Strengthen as appropriate the parliamentary role in national development strategies and/or budgets.
- Reinforce participatory approaches by systematically involving a broad range of development partners when formulating and assessing progress in implementing national development strategies.

Donors commit to:

- Provide timely, transparent, and comprehensive information on aid flows so as to enable partner authorities to present comprehensive budget reports to their legislatures and citizens.

Partner countries and donors commit to:

- Jointly assess through existing and increasingly objective country level mechanisms mutual progress in implementing agreed commitments on aid effectiveness, including the Partnership Commitments.

Whether the development partners (donors and recipients) would live up to these stated commitments would later be assessed in terms of the “number of partner countries that undertake mutual

assessments of progress in implementing agreed commitments on aid effectiveness including those in this Declaration” (Indicator 12 of the Paris Declaration). It was envisaged that all partner countries would have undertaken such mutual assessment reviews by 2010 (OECD 2005).

Fundamentally, what the Paris Declaration failed to acknowledge, however, was the gross asymmetry of power, resources, and information inherent in the donor-recipient relationship. No euphemistic “aid speak” about partnership and cooperation can obviate the reality of that structural imbalance. Although donors and recipients at one level may have a common interest (or agenda) in producing development, however defined, they also represent opposing interests, at another level. Acknowledging this fact could have a significant bearing on the degree to which one-way accountability can be infused with mutuality and become a two-way affair. For, it does not follow that an asymmetric relationship cannot in any circumstances be made less asymmetric over time. It *is* possible—provided there is political will and attitude change among aid personnel—to take steps towards equalising the relationship. Ultimately, however, the donor community would always have the upper hand.

Soon after the Paris Declaration was adopted it became evident that the mutual accountability principle was too ambitious and difficult to apply. In 2008, an OECD evaluation of the Paris Declaration revealed that a majority of the countries did not have appropriate mechanisms in place (OECD 2008a). While improvement was notable in a number of countries, the overall picture was not encouraging (ECOSOC 2009). This state of affairs might in large parts be due to a rather unclear and predominantly technical understanding of what mutual accountability actually entails. To many development actors, the concept of mutual accountability remains diffuse at best and poorly explained in the Declaration itself. It is generally recognised that mutual accountability is central to the international community’s agenda to increase aid effectiveness. However, the challenge of implementation and the inherent power imbalances of the aid relationship complicate the task (Droop, Isenman, and Mlalazi 2008,10ff).

These difficulties were reason enough for the OECD to launch different work streams in order to find out what mutual accountability can mean and how it can be facilitated. Partly informed by these work streams, the OECD, in later documents, defined mutual accountability as “a concept designed to bring about trust and partnership, whilst achieving development results,” as well as

a process by which partners hold one another responsible for the commitments that they have voluntarily made to each other. A partnership between developing countries and donors based on mutual trust and accountability is seen as a crucial step in getting better development results. There are three core elements that constitute a mutual accountability mechanism: (i) a shared agenda; (ii) a monitoring framework; and (iii) a process comprising dialogue and negotiation. Well-functioning systems for managing for results and performance information are a prerequisite for results-focused debate and mutual accountability. (OECD 2009)

As a follow up to the Paris Declaration, developed and developing countries came together in 2008 in Accra, Ghana at a High-Level Forum on Aid Effectiveness and agreed on the Accra Agenda for Action (AAA or Accra Agenda). At this time, many of the shortcomings of the Paris approach were apparent and the Accra Agenda was thus an attempt to reiterate the countries’ commitment to reducing poverty by increasing the effectiveness of aid. It also attached a less technical and more contextual explanation to the processes needed in order to reach that goal. For instance, the Agenda did more clearly put the role of accountability at the centre of development efforts. It therefore encouraged the involvement of key accountability actors (parliaments, local authorities, and to some extent citizens and civil society) in preparing, implementing, and monitoring national development strategies (OECD 2008b). However, this inclusiveness is demanding and costly in terms of required time and resources. In practice, consultation with and participation by domestic stakeholders are limited and thus, in effect, weaken the scope for horizontal accountability in the recipient countries.

Nevertheless, the literature on mutual accountability indicates that the concept itself is still an “emerging phenomenon” without clear definition and that one should not think of it as a “single system or mechanism but rather a diverse dynamic process” (Steer, Wathne, and Driscoll 2009,17).

In order to investigate more closely what the concept may actually mean, the aforementioned OECD work streams were geared to looking at mutual accountability mechanisms at the country (Steer, Wathne, and Driscoll 2009) and international (Droop, Isenman, and Mlalazi 2008) levels as well as its demarcations towards and synergies with the concept of domestic accountability (Domingo et al. 2009). The findings of these work streams are presented in the sections below.

3.1 Mutual accountability at the country level

The literature disentangles the concept of mutual accountability at the country level in terms of the aforementioned elements, namely, agreeing on a shared agenda, monitoring and reviewing the commitments made based on this agenda, and engaging in dialogue and negotiation about the first two elements. To get a clearer picture, however, one has to ask who is accountable to whom, for what, and through which means. At the outset—reflecting the Paris Declaration commitments—it is simply assumed that donors and recipients are accountable to each other and to their respective constituencies for the use of development resources and development results, assessed by compacts of mutual accountability at sector, country, or international levels (Steer, Wathne, and Driscoll 2009).

(a) Agreeing on a shared agenda

At the country or sector levels, a shared agenda can take many different forms, some being fully shared, while others driven by either donors or recipients. Many agendas have converged on the basis of development strategies—at national, sector, or programme levels. In some cases, shared agendas are beginning to evolve on more sensitive issues such as governance (Steer, Wathne, and Driscoll 2009). While such national strategies had thus far co-existed with the World Bank-driven poverty reduction strategy papers, several countries have since preferred to merge several strategy processes into one. However, more often than not, the drafting processes of such strategies are left to a handful of government officials and consultants, while “outsiders” (such as sub-national tiers of government, parliament, or civil society) are left to comment in the final stages of the process when most parameters have been decided upon.

Thus, the development agendas are predominantly shared between recipient governments and donors rather than between the governments and their respective constituencies. The ensuing commonality would potentially create strong recipient government accountability to the donors, even though arriving at that shared agenda would also be a controversial process. Compromises would have to be made in the interest of consensus, yet at the cost of diluting substance and blurring priorities. Disagreement might also arise over the participatory nature of the drafting process, with donors frequently demanding more rather than less stakeholder involvement (Steer, Wathne, and Driscoll 2009). In other words, it would be pertinent to ask the critical question: “whose shared agenda?” Down the line, the previous compromises would most likely resurface and generate renewed discussion.

In addition to such development strategies, donors and recipient governments have engaged in distinct strategies or agreements to increase aid effectiveness at the country level. Steer, Wathne, and Driscoll (2009) identify four broad types of agreement, which may exist in parallel in a country:

- **Aid policies:** these are overarching frameworks for aid effectiveness strategies and priorities, often developed by recipient governments and agreed to by donors. They usually contain donor and recipient government actions related to aid management. Examples are the Aid Policy and Strategy for Zambia; Vietnam’s Hanoi Core Statement; Cambodia’s Strategic

Framework for Development Cooperation; Rwanda's Aid Policy; and the Partnership Principles in Uganda.

- **Harmonisation and Alignment Action Plans (HAAPs):** the HAAP development in some countries even preceded the Paris Declaration. As with aid policies, governments are in the lead, but donors play a much more active role. The HAAPs are more action-oriented, including agreed policy objectives and actions for donors and partner governments, as well as targets and performance indicators, although not always measurable ones. Examples are the Bangladesh Harmonisation Action Plan, the Zambia Wider Harmonisation in Practice Memorandum of Understanding, and the Cambodian HAAP.
- **Joint Assistance Strategies (JAS):** JAS are seen as the most operational aid effectiveness agreements, setting out medium-term frameworks (four to five years). They are predominantly donor-focused documents designed to harmonise and align donor practice with the recipients' systems. The JAS documents are often comprehensive in describing country context, national strategies, and donor approaches and action, as well as including risk analyses and monitoring frameworks. Perhaps it is the comprehensive coverage of JAS documents that has led to so few being developed so far. Examples of JAS are found in Ghana, Uganda, and Tanzania.
- **Donor and sector-specific agreements:** In some cases, shared agendas evolve around specific issues or actor groups, for instance, the donors supporting the health sector in a given country signing a partnership agreement or memorandum of understanding (MoU) developed by the relevant line ministry. They are often referred to as sector-wide approaches and can form part of a JAS (Steer, Wathne, and Driscoll 2009).

As mentioned above, even with these instruments in place—largely negotiated between donors and governments—there may be limited scope for public debate and criticism by stakeholders in civil society.

(b) Monitoring commitments

Results-based monitoring lies at the heart of the Paris Declaration. Tools, such as progress reports, surveys (e.g., covering sectors or households), performance assessment frameworks (PAFs), and aid databases have been developed and applied for this purpose in some countries, with variable success. Performance assessment frameworks are the most comprehensive effort to monitor performance on the basis of a results chain, and the indicators are often taken from the national development strategies. Some even try to assess the proportion as well as the predictability of aid provided as budget support (e.g., the Zambia PAF). In order to improve the availability and transparency of aid-related information, a number of countries have introduced aid databases. The more successful ones seem to share the following features:

- Timely and comprehensive information;
- Confidence in the accuracy of the data;
- Inclusion of all funding; and
- Government owned (Steer, Wathne, and Driscoll 2009).

Few countries have developed monitoring mechanisms of their own, which are considered independent of and external to governments and donors. Civil society, parliament, the mass media, and other domestic stakeholders in some countries play a role in monitoring government and donor performance according to their agreements. However, their ability to do so remains limited, “in part due to capacity constraints, restrictions to civil freedoms, lack of information and transparency, and restricted participation and influence in government-donor mechanisms” (Steer, Wathne, and Driscoll 2009, 35). In some cases stakeholders are effectively co-opted under the guise of consensus-building and broad-based participation. Such co-optation may silence critical voices. Not surprisingly, for these

and other reasons—which will be discussed in detail below—monitoring of development results proves to be most challenging around the world.

(c) Engaging in dialogue

Mechanisms for dialogue vary from one country to another, yet they mostly take the form of technical and political working groups. Technical working groups are usually organised by governments around sectors, issues, or themes. In some countries, the number of working groups has mushroomed, with Mozambique, for example, having 22 such groups at sector level, in addition to overarching coordination groups. The aggregate output of these groups that meet on a regular basis can therefore create capacity constraints for governments as well as for donors. The success factors of functioning working groups seem to be strong leadership, ownership by governments and donors, sufficient capacity and resources, and genuinely committed agenda drivers (Steer, Wathne, and Driscoll 2009).

Dialogue at the policy level generally takes place in consultative groups, which engage high-level government and donor officials, typically on an annual basis. Resembling pledging ceremonies, these consultative groups increasingly engage in substantive discussions about development agreements and achievements.

3.2 Domestic versus mutual accountability

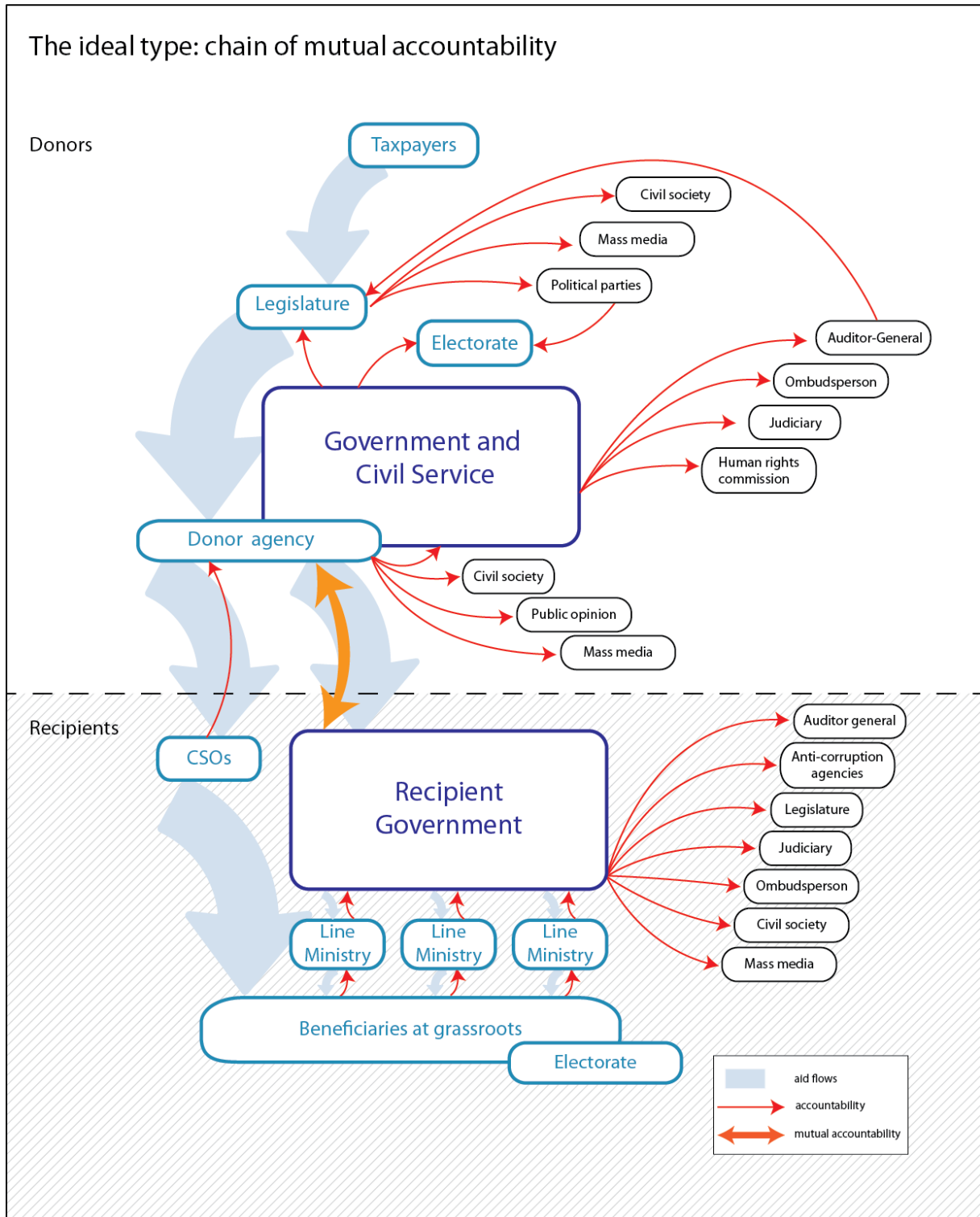
Discussions on mutual accountability and domestic accountability emerged in parallel and the need thus arose for exploring the differences, overlaps, and synergies. While both concepts are widely perceived as crucial for achieving aid effectiveness, how they relate to each other remains unclear. While mutual accountability in this context refers to a relationship between donors and recipient governments, domestic accountability concerns the relationship between a government and its citizens—whether in the donor country or the recipient country. Whereas mutual accountability resembles a political contract between donor and recipient, domestic accountability can better be likened to a social contract between government and citizens. The state institutions of oversight or restraint mentioned above play an important role in domestic accountability situations. One should add the mass media and civil society, both of which have been effective in holding the state to account (Paul 2002).

The related OECD work stream on “domestic and mutual accountability for aid” drew attention to the *actors* involved in both accountability relationships in order to explore to what extent they involve the same set of actors. A second focus was put on the *objective* of each set of accountability relations to ascertain whether mutual and domestic accountability are working towards the same goals. The authors found—not surprisingly—a considerable overlap between mutual and domestic accountability. To the extent that domestic accountability is made instrumental to ensure the accountable use of aid for development, both schemes share a similar focus. Both rely on the generation and exchange of information about aid and what contribution is made to development. Moreover, both accountability sets consist in large measure of the same actor groups. The obvious difference, however, is that mutual accountability is directed outwards, while domestic accountability is directed inwards. Even so, it is not that clear-cut. In reality, mutual accountability relation indirectly affects domestic accountability. While in theory mutual accountability and domestic accountability should thus reinforce each other, in practice the authors found that “weak and imbalanced mutual accountability has little purchase on donors’ behaviour, with the result that they are more responsive to incentives generated by accountabilities in their own countries” (Domingo et al. 2009, 5). Furthermore, the provision of timely and transparent information on aid flows by donors is a constant challenge, which may constrain domestic actors’ ability to hold governments to account. Hence, weak mutual accountability so far seems to create tensions rather than synergies with domestic accountability.

A thorough analysis of mutual accountability must bring onboard the full range of actors at different levels, and link them in a chain of accountability. The main international divide is between donors in

the North and recipients in the South. However, at either end of the mutual accountability relationship there are domestic actors whose actions and interests impinge on their respective governments. Not only is it necessary to include these actors normatively in the very concept of mutual accountability but also how they actually operate in exercising their accountability demands. The actors in the mutual accountability chain can be illustrated as in Figure 1.

Figure 1: Relations between actors in the mutual accountability chain



Source: Authors

Figure 1 depicts an ideal-type situation rather than a real-life situation. Reality will no doubt depart from the stylised ideal, albeit variably so depending on the context and the quality of the polities at either end of the relationship, as well as on the degree of the recipients' aid dependency. It is noteworthy that the figure provides some space for institutions of restraint, the mass media, and civil society to exercise influence on the state organs' handling the aid flows in order to hold them to account. Part of that space is formalised whereas another part is informal. For example, the office of the auditor-general has a formalised function in terms of the constitution to hold the executive to account, while the mass media exercise an informal watchdog function by disclosing inappropriate behaviour through investigative journalism.

The vigour with which accountability actors would take action is likely to differ in the North and in the South, consonant with the democratic depth of the respective polities. For example, in the presumably more established democracies of the North, the donor policies would most likely be anchored in a long-standing consensus. Consequently, they would probably not meet much opposition, except at the fringes. In addition, it needs to be kept in mind that international development assistance is usually not a matter of daily public discourse in those countries, thus weakening the extension of mutual accountability as displayed in Figure 1. Even so, certain incidents—such as corruption cases involving aid funds—given media attention might from time to time stir up some constituencies and put the consensus to the test.

In young and shallower democracies in the South, the corresponding consensus is likely to be more fragile. Civil society organisations (CSOs) tend to challenge their governments' positions in negotiations with donors, reflecting the domestic diversity of ethnic, religious, regional, class, and other interests. It can be argued that, in some cases, CSOs are more representative of sections of the citizenry or particular constituencies than government institutions are. Hence, different CSOs might pull in different directions when advancing parochial interests rather than taking a common position in the public interest. It is conceivable that a government's policies may be perceived as legitimate in the eyes of particular constituencies but not necessarily across the board. In turn, this could give rise to a notion of "segmented legitimacy" in terms of salient political cleavages. For example, in ethnically divided societies particular ethnic groups might perceive the incumbent regime as legitimate, even if incumbency is achieved by dubious means, as long as that particular group derives benefit from it. Therefore, the commonly positive understanding of the role of civil society and citizens as accountability actors needs to be qualified and carefully contextualised. In a recent study on social accountability in Africa, Robert Mattes (2010) makes some interesting observations about political culture and accountability. Based on the findings of the *Afrobarometer* relating to governance, citizenship, and accountability, he arrives at the following conclusion:

Ordinary Africans demonstrate an incomplete grasp of political accountability. While they are willing to play a more questioning and critical role toward the state, they still hold paternalistic views of that state. They clearly support multi-party elections, and want their legislators to remain close at hand. But they appear to support elections as a mechanism of choice rather than as a means of controlling the behaviour of their representatives by threatening to withhold their vote. They want their MPs [members of parliament] nearby to solve personal and political problems, rather than provide answers about their performance. The typical African sees someone else as responsible for calling legislators and councillors to account, rather than themselves. (Mattes 2010, 20)

These perceptions inject considerable tension into the notion of domestic accountability. Furthermore, the mass media may question policies in their own right. However, given the presumably less liberal outlook of the incumbent governments in developing countries the scope for opposition and public debate would be constrained.

Depicting the accountability chain as in Figure 1 brings out the complexity of the mutual accountability concept. How to apply it in practical aid relations may thus seem daunting. On the other hand, unless the problem is thoroughly diagnosed, its solution will remain elusive. It is not helpful at all to sweep challenges under the carpet by using euphemistic partnership terminology that glosses over conflicting interests and projects some sort of pseudo-consensus. The watchword ought to be: seek complexity and order it. Out of that ordering would come at least partial solutions to a seemingly intractable problem.

3.3 Mutual accountability at the international level

The two OECD work streams, to which we referred previously, addressed the country level, justifiably so, as it is principally between donors and individual recipient countries that mutual accountability will have to operate. However, since there seems to be “broad agreement that effective international-level mechanisms are necessary to complement them—providing political and technical momentum, direction, visibility and institutional change” (Droop, Isenman, and Mlalazi 2008, 13), the third OECD work stream sets out to identify such international mechanisms and the way in which they could be instrumental. Towards that end, Droop, Isenman, and Mlalazi consider the international aid effectiveness agenda as a “collaborative framework for accountability”¹ where it is key to building “a logic of participation” rather than “a logic of compliance.” Such arrangements are usually devoid of an overarching authority to oversee the behaviour of partners or to apply sanctions with a view to enforcing it. Thus, mutual accountability is not only about holding each other to account, but also about creating a positive spirit of mutual responsibility. Four elements are seen as key to collaborative accountability frameworks: (i) gathering evidence on the performance of partners (the transparency and access to information ingredient); (ii) the ownership of the parties in the mechanism; (iii) the debate that the mechanism stimulates; and (iv) the behaviour change it leads to (Droop, Isenman, and Mlalazi 2008, 18ff). The authors of the work stream assessed different existing international mechanisms against these elements.²

The study arrived at the conclusion that the international mutual accountability landscape is young, but rapidly evolving and changing. So far, however, it seems that some of these mechanisms have already impacted positively on behaviour change.³ There is overlap between some mechanisms, as well as gaps. For example, few of the mechanisms involve partner countries thoroughly enough or provide them with the means to make their voice heard. While donor performance is assessed on an aggregate scale, it is difficult to trace this to individual actors further down the hierarchy of stakeholders.

¹ As opposed to harder forms of accountability frameworks, such as a *representative* type (e.g., characterising democratic oversight), or a *corporate* type (by which donors would for instance hold multilaterals to account) (Droop, Isenman, and Mlalaz 2008).

² Such as the African Progress Panel, the African Peer Review Mechanism, the Global Monitoring Report, the OECD/DAC Peer Review, and the like (see OECD 2008c).

³ According to the report, these are the OECD/DAC Peer Review, the Working Party on Aid Effectiveness, the Strategic Partnership for Africa and the Centre for Global Development—Commitment to Development Index (Droop, Isenman, and Mlalaz 2008, 25).

4. Challenges for mutual accountability

As mentioned already, the purpose of launching the concept of mutual accountability between donors and recipient countries has its roots in the history of development assistance. What used to be called aid or development assistance relations has changed to development cooperation, at least in the terminology used. Recipient governments have become partner governments and donors are referred to as development or cooperation partners. However laudable the underlying intention might be, we question whether the euphemistic language changes the reality of these relationships. The studies referred to above have made efforts to uncover success stories. Even so, they all concede that mutual accountability is still an emerging concept whose operational value is limited thus far. Considerable challenges remain at political, institutional, conceptual levels. Those challenges will be discussed briefly here, before proceeding to the remaining sections of the paper.

(a) Power (im)balance

The persistence of power imbalances between donor and recipient governments lie at the heart of the problem. As mentioned above, the Paris Declaration shied away from acknowledging that fact. Yet, mutual accountability was introduced precisely to reform the asymmetrical power structures of traditional aid approaches where donors hold ultimate power. In the acknowledgment of this reality, the donor community should recognise that the prospect of changing this imbalance—at least in the foreseeable future—would be very limited.

Put simply, donors hold the strongest cards. For example, they can reduce allocations, or suspend disbursements, to countries. They can use conditionalities and define modalities. They frequently have greater capacity for analysis and policy dialogue than partner countries. The aid relationship is also often one element of a wider bilateral relationship, covering commercial and diplomatic issues, in which the donor country is more influential. (Droop, Isenman, and Mlalazi 2008, 12)

As a result, the title of this paper asks whether mutual accountability is feasible and can move beyond rhetoric. According to Droop, Isenman, and Mlalazi (2008) the real challenge is to free the accountability relationships from such imbalances, while acknowledging that the donor-partner relations as a whole might still entail unequal stature or powers. It is not clear, however, how this might work out in practice. Overall, there seems to be agreement that “[m]utual accountability can to date largely be seen as weak and is often characterised by the dominance of ‘one way’ accountability from recipient governments to donors, as power imbalances and a lack of enforceability have limited the extent to which recipient country governments can effectively hold donors to account” (Domingo et al. 2009, 31). The presence of emerging donors might contribute to shifting this imbalance to the disadvantage of traditional donors. The latent power of traditional donors to withdraw (to show what consequences may ensue in case of a recipient’s breach of mutual aid agreements) might be difficult to use—i.e., making manifest the latent threat—when competing donor priorities (such as anti-terrorism, security, trade, access to natural resources, etc.) are on the agenda at the same time and the pressure to disburse persists. This is especially so in cases where a significant amount of a country’s or sector’s budget is dependent on aid funds (ITAD 2011).

(b) Multiple accountability strands

Mutual accountability between donors and recipient governments is not the only accountability relationship that affects aid delivery. In fact, both donors and recipient governments are first and foremost accountable to their own citizens. The outcomes may be paradoxical. If domestic accountability is weak in recipient countries, mutual accountability may reinforce their accountability towards donors, rather than to their domestic constituencies. Similarly, donors might be more

preoccupied with satisfying their home constituencies (taxpayers and voters), especially in times of austerity or financial crisis when aid funds are in short supply (see example in Box 2).

BOX 2: DENMARK'S EXIT AS A DONOR FROM MALAWI

The exit by Denmark from Malawi is an egregious example of donor behaviour that in no way is conducive to building a workable relationship of mutual accountability. Although it occurred in 2002, before the adoption of the Paris Declaration, the case illustrates a number of points relevant to the discussion of the accountability chain. Above all, it shows how domestic events in a donor country can impact dramatically on a donor-recipient relationship. During the election campaign in Denmark in the latter half of 2001 the centre-right coalition promised to cut the aid budget. At about the same time, the Danish Embassy in Lilongwe was negotiating the final version of a new country strategy spanning five years, promising major Danish inputs to key sectors of the economy. When the political coalition won the elections, the Danish aid agency was immediately instructed to implement the election promise: a budget cut of about ten per cent. Two options were discussed: (a) using the “cheese slicer” and reduce allocations by that percentage across the board; or (b) dropping selected countries altogether as recipients. The latter was chosen and Malawi was a casualty along with Eritrea and Zimbabwe. Once the decision had been made, the Danish Embassy embarked on a rushed process—lasting only five months—of dismantling the country programme. In terms of legal commitments the withdrawal was impeccable because no new agreement had yet been signed. However, the matter was not one of legality but rather one of political trust between ostensible “partners.” The prior negotiations on a new five-year cooperation strategy between Denmark and Malawi had raised expectations of future aid flows of significant proportions. It should be mentioned that tension had been mounting over corruption issues and a diplomatic incident sparked by an impolitic remark by the Danish ambassador. But these factors were of secondary importance to the donor’s domestic accountability to the electorate at home. The bottom line is that the widespread perception in Malawi was that Denmark had pulled the rug from under their future collaborative venture. The extremely rushed time schedule only served to rub salt into the wound. Malawi faced great challenges in responding to the Danish withdrawal, causing serious delays. By contrast, the approach of the Netherlands, which also decided to exit from Malawi at about the same time, differed markedly. The Netherlands decided to phase out over a long period of four years while making vigorous attempts to induce other donors to fill the gaps (Slob and Jerve 2008).

(c) Sharing one agenda

A shared agenda as a basis for mutual accountability and better development outcomes appears necessary. Yet, it is inherently difficult to achieve, largely owing to the multiple stakeholders involved. We are not dealing with two governments only in a dyadic relationship. At each end of the mutual accountability relations across the international divide, there are chains of domestic accountability relationships that need to be handled simultaneously (see discussion above). While donors are (at least ostensibly) concerned with reducing poverty and improving governance in the process, other parts of their governments might be more interested in trade, security agreements, and other concerns which may take precedence over aid. The long-standing debate on policy coherence illustrates the contradictions involved (Forster and Stokke 1999). Moreover, certain political parties may campaign for a change of aid policy, for example, drastic cuts in the budget or different priorities. Should they win elections, reflecting the preferences of domestic constituencies, it could affect the relationship with recipients in major ways (as shown in the example in Box 2).

Conversely, even if a recipient country acknowledges the laudable goal of reducing poverty, there might be divergent views on how to achieve that goal. In any democratic polity, opinions about policies and means among decision-makers and non-state actors alike would tend to differ. In some countries the aid and poverty reduction debate has resulted in parallel poverty reduction strategies and national development plans (Steer, Wathne, and Driscoll 2009). Also, it is not uncommon that well organised civil society organisations take a critical stand on the policies of the incumbent government.

Furthermore, the policy opinions within civil society may diverge, thus creating a rather chequered landscape of domestic accountability with actors demanding a say. Whose common agenda are we then referring to? Yet another limiting factor in this regard is the many actors—also in the development field—who are uninformed about the aid effectiveness debate in general and the Paris Declaration principles in particular.

(d) Ensuring leadership

The sheer number of actors involved in the development sector is potentially jeopardising the common purpose of making aid more effective. Each developing country will most likely host several donor agencies. To complicate the picture further, some state donors work through civil society organisations (domestic and international CSOs, foundations, etc.). Some of the larger CSOs also provide assistance in their own right. In addition, even within one donor agency a multitude of actors and departments may pull in different directions and prioritise differently. The recipient government side faces similar challenges. A multiplicity of actors in finance, planning, and line ministries at the macro level, as well as sub-national authorities, and non-state actors make their presence felt. “It is difficult for either the donor community or the recipient country to know what the true preferences of the other side are or whether agreed responsibilities are being implemented. The sheer number of actors makes holding them to account (especially with limited resources) very difficult” (Steer, Wathne, and Driscoll 2009, 43).

(e) Capacity constraints on all fronts

Drafting, implementing, and monitoring development agendas are demanding on most actors, who may already—as is often the case in developing countries—be rather constrained in terms of resources. The aforementioned multitude of coordination meetings is but one aspect of this; the numerous intra-governmental decision-making processes form the invisible courses of action to which outsiders rarely have access.

Lack of capacity is not only a feature of recipient countries. In many countries donor agencies have experienced resource and staff cuts at headquarters and embassies alike. Complaints are often heard that aid officials are overworked and unable to respond to new initiatives. This state of affairs bears on donor ability to apply Paris Declaration principles such as mutual accountability and to monitor the implementation of country strategies accordingly.

(f) Poor databases

Capacity constraints might possibly be even more severe with regard to generating information about achieved results. While some countries have improved access to information, the quality of data often leaves a lot to be desired. Donors’ capacity-building efforts are still undertaken on an ad hoc basis (Steer, Wathne, and Driscoll 2009). Despite some improvement through databases on aid flows and transparency initiatives, timely, transparent, and comprehensive information about aid flows to recipient governments remains lacking. Part of this is due to difficulties in synchronising donor information systems; part of it stems from data not being presented in accessible form or not being communicated to key accountability actors.

(g) No enforceability

As discussed above, mutual accountability under the Paris Declaration ostensibly takes the form of a partnership based on a collaborative framework. The underlying assumption is that there is broad consensus between the two parties and that compliance will ensue more or less automatically. Consequently, no enforcement and sanction mechanisms have been built into the principle in case of

non-compliance or lax commitment. While donors still hold the instrument of suspending or cutting funds, such drastic action is by no means informed by the spirit of mutuality and trust.⁴ Suspension of aid is a unilateral step that would certainly damage whatever trust existed previously. It is probably in the recognition of such potential damage to a trustful relationship that donors tend to shy away from such dramatic action in preference to maintaining dialogue (Steer, Wathne, and Driscoll 2009).

Being the weaker partner in the aid relationship the recipient governments have little recourse to action in case donors do not live up to their commitments. In the current situation, the only credible threat is turning to other donors such as China, India, and Brazil that recently have emerged as major suppliers of funding. The OECD Development Assistance Committee (DAC) donors have expressed concern that the emerging donors appear to undermine efforts towards building viable governance systems (see Box 3).

BOX 3: EMERGING NON-OECD DONORS IN AFRICA: CHINA, INDIA, AND BRAZIL

Recent years have seen new donors emerging, operating particularly in Africa. They do not belong to the OECD/DAC group but have come to wield considerable influence, not least as alternatives to conventional Western donors. Nearly all African states participated in the 2006 Beijing Summit of the Forum on China-Africa Cooperation. China provides aid and engages in many forms of economic venture such as investment, trade, and construction. It extends large credits at market rates tied to the procurement of Chinese equipment, machinery, and construction services. Repayment is made in oil and other natural resources (minerals). Markets in Africa are inundated by inexpensive Chinese consumer goods. Consumers complain that the commodities are of poor quality and undermine domestic production. Other critics point to the structural inequality of economic relations that puts Africa in a subordinate position of raw materials exporter and an importer of mass consumer goods. This structure smacks of old-fashioned imperialism whereby the value added accrues to domestic elites and parties outside Africa. Western donor circles have labelled China a “rogue donor” who is paying scant attention to governance issues and condoning corrupt behaviour. China, for its part, claims to adhere to the principle of “mutual benefit” (Brautigam 2009; Tjønneland et al. 2006). India has also emerged as a donor and investor, although not yet as prominently. Many businesspersons of Indian or South Asian extraction have been residents in African countries for more than a century and currently provide links to authorities and markets. Brazil is the latest newcomer, although centred on the Lusophone part of the African continent.

It may also be argued that the so-called donor imperative to disburse aid may work in favour of the recipients and potentially contribute in some measure to equalising the asymmetric power relations between donor and recipient. The OECD/DAC donors are under pressure at home and under international commitments to disburse the funds that have been allocated for foreign aid purposes. Failure to do so might lead to the pruning of aid budgets on grounds that the amounts of money cannot be spent sensibly. Hence, donors are inclined to think twice before instituting severe sanctions against recipients.

(h) Corruption and trust

When under-performance on the part of recipient governments is coupled with corruption the situation is aggravated. Continued trust in the ethos of partnership and dialogue might then be lost—not only on account of wasted funds, but also in terms of lost trust by the donors’ domestic constituencies. Interestingly, the Paris Declaration does address corruption as a threat to development, but it fails to include any mechanisms as to what should be done when it occurs—apart from a feckless faith in the general accountability mechanisms and the actors’ commitments. This omission is a serious flaw.

⁴ Aid cuts may indeed be triggered by corruption cases that break down trust. The corruption scandal in the Zambian health sector in 2009 is an example that will be discussed in more detail in this paper.

While the Paris Declaration extols the virtues of partnership and seeks to improve accountability relationships, it does not prescribe analyses of the risks involved. Some donors have begun making risk assessments in the context of political economy analyses but it is not practiced systematically across the board. Moreover, such assessments and analyses are sometimes glib and prone to becoming outdated rather quickly in volatile environments. Still, they are worthwhile doing. Risk assessments would be particularly relevant in situations where the recipients can be characterised as fragile states of some sort. Similarly, risk analyses would be crucial in the build-up phase of mutual accountability relations when country-owned systems are not yet fully capable of dealing with and absorbing large inflows of aid. Unfortunately, the literature on mutual accountability is rather silent on risk matters. Some of these considerations will therefore be discussed in subsequent sections of this paper.

(i) (Un)traceable results chain

Monitoring the effectiveness of aid agreements at the country level is a tough challenge. According to Steer, Wathne, and Driscoll (2009), “[t]his is partly because many agreements remain at the level of general principles and have yet to be developed into fully operational frameworks with time-bound and measurable performance targets and indicator and comprehensive results chain” (Steer, Wathne, and Driscoll 2009, 31). In addition, the types of data collected at the country level are insufficient for monitoring the entire results chain. Most monitoring efforts focus on inputs, activities, outputs, and/or outcomes. The lack of adequately detailed information makes it difficult to establish causal links between government spending and development results. Furthermore, in an overwhelming number of cases baselines are missing against which progress can be measured. Moreover, the attribution problem is intractable: what results can be attributed to specific aid interventions? Only in rare cases does the monitoring of projects and programmes involve randomised control groups what could facilitate the determination of attribution. In addition, there are ethical problems associated with randomised control or reference groups that are excluded from “treatment”—i.e., not benefiting from the intervention—in contrast to the groups receiving such “treatment,” namely, to which benefits accrue.

(j) Unrealistic conception of domestic accountability actors

Arguably the gravest challenge is the overly simplistic assumptions about the role domestic accountability actors may play in holding their governments and donors to account. The political context in many developing countries does not provide adequate political space for such action, depending on the degree of democracy, of course. Parliaments are often ineffective, under-resourced, and dominated by the executive branch. Likewise, the mass media and civil society organisations are often constrained and repressed by governments. Sometimes politicians actually own key media. In addition, “[m]any domestic accountability actors may be reliant on formal rules which govern their ability to hold the executive to account for aid, but informal rules may mean that in practice they are subverted” (Domingo et al. 2009, 23). A U4 study describes in more detail the effects of the politicisation of state institutions, especially those tasked with oversight and restraint functions (Hechler et al. 2011). A number of governments have enacted legislation that severely curtails the freedom of the media and the manoeuvrability of civil society. The mentioned OECD work stream studies focusing on domestic accountability in greater depth partly acknowledge the existence of the informal spheres of the governance landscape. However, the conception in today’s aid effectiveness debate is still far too centred on the formal institutions, not taking into consideration how accountability relationships might in reality function in many states.

(k) Informality and political cultures

Most developing countries have all the trappings of a modern state with its attendant institutions governed by a set of formal rules. These rules—in the legal-rational Weberian sense—form the normative foundation of institutional behaviour and determine how institutions relate to each other.

They are expected to ensure rational decision-making and predictability. Western donors tend to expect recipient governments to function in line with such notions.

It is a matter of concern, however, that the formal rules are not necessarily adhered to, resulting partly from practical obstacles and resource constraints, and partly from political expedience and lack of political will to uphold the rules. Corrupt behaviour is an illegal deviation from formal rules but most deviations straddle the border between the legal and the illegal. Borderline departures from established rules and regulations may sometimes be so frequent that they are perceived to have displaced the formalities and acquired status as more or less accepted *informal* norms, yet not reflected anywhere in written documents. They constitute a tacit understanding among key actors about how matters are *actually* dealt with. In other words, this understanding can be characterised as the *real* political culture of decision-making. A capricious political culture thus constitutes an informal extension, however vague and elusive it might appear, of the rules of the political game beyond the formalised rules and structures of government: the constitution, other legislation, and subsidiary regulations. It is especially worrisome if the dominant political culture is orientated towards *evading* the formal rules rather than respecting them. When the political culture deviates considerably from the established formal rules, it introduces an element of arbitrariness and unpredictability that donors find difficult to understand.

Political cultures are often characterised by hierarchical patron-client relationships, which are anathema to a Weberian civil service and provide fertile ground for corruption, nepotism, and favouritism. With reference to Africa, it has been argued that there are “two publics”: a civic public and a primordial public (Ekeh 1975). In the former, which is a modern or colonial construct, individuals gain materially but give only grudgingly. The latter, on the other hand, is rooted in traditional society and its “good” citizens are expected to contribute lavishly materially and ask for nothing in return, except compassion. The interaction of these two publics blurs the Weberian distinction between the private and the public. Educated individuals—i.e., the current political and economic elites—who operate in the civic public have not yet shed their allegiance to the primordial public. Hence, they are members of both and torn between them. The unwritten logic of the interaction is that it is legitimate to rob the civic public in order to strengthen the primordial public. As a result, the Weberian ethos of benevolent institutionalisation, predictability, and transparency tends to be undermined. Although Ekeh’s reasoning refers to Africa, it applies to other parts of the world as well and is normally dubbed neo-patrimonialism, clientelism, or rent-seeking in the literature.

This is not to say that informality always undermines all formal rules. Informality can work either way. Formal institutions tend to work well when the informal rules are complementary (reinforcing) or at least accommodating. Conversely, however, formal institutions tend not to function well when the informal rules are substitutive or competing (Helmke and Levitsky 2006).

We concede that it is exceedingly difficult for donors—and researchers for that matter—to understand how informality operates, let alone relate to informality in practice. We are convinced, however, that lest the phenomenon is acknowledged and analyses attempted within a political economy framework the donors will struggle with mutual accountability. We are pointing out the challenge but not necessarily providing easy answers. Partial answers can only be found in country-specific empirical investigation.

(I) Contextualisation

The challenges of mutual accountability cannot be met through a generic formula, even if some general guidelines may apply in many situations. Contextualisation is the watchword—within the framework of political economy analysis (Duncan and Williams 2010). While donors have tended to prioritise economic over political analysis, it would be imperative for donors to bring politics back in and to link political and economic analysis, and, more importantly, be prepared to act on the findings where possible (Unsworth 2009).

Since the institutions of developing countries are presumed to be more amorphous or unstable than their counterparts in donor countries it will be particularly important to conduct thorough political economy analyses of the former to identify accountability actors and their clout. Points of departure should be taken in the chain of mutual accountability depicted above. Partial efforts towards that end have been made by DFID by means of its Drivers of Change Framework and by the Netherlands through its Strategic Governance and Corruption Analysis process. Unfortunately, the high turnover of embassy staff is detrimental to maintaining an institutional memory that includes such analyses. This fact would not be conducive to building trustful relationships over time.

Based on thorough empirical analyses at the country level it may be possible to differentiate between types of regime by degree of institutionalisation. How much trust could be put in the various regimes and what would be the basis of such trust—institutional functionality over a considerable length of time? Budget support is a mode of disbursing aid that presupposes a high level of trust in the recipient by the donors. But if rushed and premature, general or sector budget support might become high-risk operations in view of the volatility of certain regimes. As a result, trust might be lost and mutual accountability damaged. The Mozambican case in Box 4 illustrates the complexity and political sensitivity of mutual accountability, even when reasonable mechanisms for handling disputes have been put in place.

BOX4: DIFFICULT RELATIONSHIP BETWEEN DONORS AND PARTNERS IN MOZAMBIQUE, DESPITE AID AGREEMENT

Mozambique is an illustrative case of the difficulties involved in establishing an understanding and system of mutual accountability. Approaching 2010, many donors articulated their repeated dissatisfaction with the performance of the Government of Mozambique (GoM), especially in the area of governance (highlighted by the levels of corruption, the lack of electoral reform, and insufficient separation of powers, as well as strong influence of the ruling party FRELIMO over public institutions). Issues of corruption had been on the agenda already in previous years—including unilateral disbursement cuts (e.g., by Denmark)—and this time around some of the leading donors decided there and then to stop disbursement of funds until the issue was debated, resulting in what the public referred to as a “donor strike.”

Highly dependent on aid, the Mozambican Government entered into a budget support agreement in 2000 with a range of donors to buttress the national poverty reduction strategy (PARPA). What started with six donors, currently involves 19 bilateral and multilateral donors, the so-called G19 (African Development Bank, Austria, Belgium, Canada, Denmark, European Commission, Finland, France, Germany, Ireland, Italy, Norway, Portugal, Spain, Sweden, Switzerland, the Netherlands, the United Kingdom, and the World Bank).

In order to better coordinate the partnership, the partners agreed to set up a political dialogue and consultative mechanism. Based on a memorandum of understanding a performance assessment framework (PAF) was established, which among others entailed a set of “underlying principles,” such as the GoM’s commitment to peace, poverty reduction, the Millennium Development Goals, and sound macro-economic policies, as well as the promotion of free, credible, and democratic political processes, independence of the judiciary, rule of law, human rights, good governance, and probity in public life (including the fight against corruption). In 2009, the PAF contained 40 indicators against which to assess progress.

The assessment of GoM performance is done twice a year through an annual review and a mid-year review. The annual review is focused on a joint assessment of performance, which serves as the basis for commitments. The mid-year review focuses on dialogue in regard to forward planning, budgeting, and agreement on the PAF. During the joint reviews, 29 working groups, comprising government, donors and civil society representatives, are responsible for carrying out the assessment of the GoM performance.

Despite these structures in place, donors’ frustration mounted over poor GoM performance, especially in governance areas where large contributions had been made (such as the justice sector, corruption control, conflicts of interest management, and economic reforms). Alleged tampering with the October 2009 national elections was the last straw. The “donor strike” demonstrated the weaknesses of the PAF. While the mechanisms for dialogue set out in the MoU basically worked to settle disputes, they had not prevented it for various reasons:

1. **Differing agendas** – Despite good intentions to agree on a shared agenda, the reality looked different. The universal principles on which PAF was based remained vague. Thus, the GoM argued that governance reforms had been undertaken, with hints of undue interference in their sovereignty, and showed no intention to engage in a deeper governance discussion. The donors considered current reform efforts as superficial. Furthermore, critics argue that the true agenda of the government was to strengthen the ruling party, control public spaces, reinforce party control over public institutions, reduce space for the opposition, and ensure control over economic resources. Donors did not appreciate these underlying motivations.
2. **Sending mixed signals** – At the same time donors were divided over the appropriate level of governance reforms. The Nordics argued in favour of more drastic measures than their Southern European colleagues did. Moreover, the G19 members held different opinions as to which agreement instrument to use as a basis for dialogue with the GoM. Besides the universal principles of PAF, some argued for adherence to the Cotonou Agreement.

BOX 4 (CONT.): DIFFICULT RELATIONSHIP BETWEEN DONORS AND PARTNERS IN MOZAMBIQUE, DESPITE AID AGREEMENT

3. **How to assess performance?** – Although the shared PAF provided an assessment mechanism, interpretations of the outcomes varied widely among donors. While some looked at overall performance, others focused on sub-sets of activities, or tied variable support tranches to parallel assessment frameworks. Lack of reliable governance indicators further complicated the situation.
4. **Capacity constraints** – While mass media and civil society monitored and contributed to the discussion wherever allowed to, several constraints generated a broader public debate. Civil society and political parties lack the ability to engage citizens in policy dialogue. They lack the capacity to oversee government functions, and they lack access to information from both GoM and donors. At the same time, donor staff lack capabilities to analyse governance issues in detail, such as complex electoral laws.
5. **Improving communication** – Technical working groups on sectoral issues are not enough. There is a need to create specific dialogue mechanisms to debate corruption across sector groups. There is also a need to improve communication vis-à-vis donors' home constituencies regarding the risks of engaging in highly corrupt countries.

(This box is based on a paper by Pereira and Orre [forthcoming U4 Practice Insight] and an OECD case study [Macuane 2009])

5. Corruption and mutual accountability

Aid flows are mediated through multiple channels and institutions. En route to its beneficiaries, aid money is sometimes diverted to unintended purposes or simply disappears into the pockets of corrupt officers or institutions. Mutual accountability, however, is predicated on trust, which donors seem to presume will forestall corrupt practices. There is an element of naïve self-deception in such a presumption as such trust is often lacking from the beginning. However, when instances of corruption of significant proportions are detected, they deal serious blows to whatever trustful relationships had been established. For donors, at least three questions then arise: (a) how to respond to the culprits; (b) how to recover lost funds; and (c) how to rebuild the trust lost. The Zambian example described in Box 5 illustrates this problem.

In many countries, corruption is certainly not the only governance problem jeopardising donor-partner relationships, and in some countries it might not even be a serious threat. However, "...[i]n the context of the global economic crisis, the balance of trade-offs may be shifting for donors, limiting appetite for risk and increasing emphasis on fiduciary management and responses that achieve more immediate action against corruption" (DFID 2010, 14). The reality today is that donors face the dilemma of honouring their commitments to increasing development fund transfers while being compelled to make severe budget cuts due to the financial crisis. This dilemma is hard to explain to one's home constituencies, yet needs to be taken into account when conceptualising mutual accountability.

Furthermore, many donor policies acknowledge the need for strengthening recipient government accountability to its citizens in order to address corruption (DFID 2010). Conversely, the prevalence of corruption indicates poor accountability relationships within a country and hence undermines the basis of mutual accountability. Corruption cases are, in fact, the very litmus test of mutual accountability. In many countries, donors have demonstrated that they are short of adequate responses to corruption and continue believing—perhaps naïvely—in an improvement of the situation, mainly because the price of pulling out is too high.

The OECD in 2009 set out to find out the ways in which donors have so far responded to corruption and deteriorating governance situations:

Donors' priority has often been to remain engaged with partner governments to achieve their development objectives. That approach established, a degree of inertia has arisen among donors to modify their stance where there is evidence of lack of progress in tackling corruption, of stagnation, or of deterioration in governance. Variations between donor responses to similar corruption situations in different contexts have primarily reflected the characteristics of the aid relationship and/or geostrategic importance of partner countries to donor countries. (Davila et al. 2009, 5)

The study found no evidence that short-term pressure by donors on recipient governments—be it through dialogue or aid disbursements—"had a lasting impact on corruption where local political dynamics resisted this" (Davila et al. 2009, 9). Recipients responded rather through formal action, for example by passing new anti-corruption legislation. On the other hand, "[c]umulative and sustained pressure by a critical mass of donors, combined with technical and financial support for key reform programmes, has the potential to improve accountability and transparency where there is a degree of ownership and leadership from partner governments" (Davila et al. 2009, 9). Again, this may be a somewhat utopian assertion. As pointed out above, the donor community agenda often poorly harmonised in many countries and the likelihood of maintaining such pressure would therefore be limited. Pending the establishment of functional institutions there is a limit, of course, to how far donors are prepared to go towards micro management and hands-on control.

BOX 5: CORRUPTION IN THE ZAMBIAN HEALTH SECTOR AND IMPLICATIONS FOR MUTUAL ACCOUNTABILITY

In early 2009, the Zambian health sector and the donors supporting it were shaken by the revelation of corruption in the Ministry of Health (MoH). In May 2009, the Anti-Corruption Commission—allegedly after information was leaked to the press—confirmed the embezzlement of US\$1.4 million by high-level MoH officials. Evidently, the scam took place in the form of (i) paying consultancies for training events that never took place, and (ii) channelling funds to a nursing school for scholarships, which never reached the beneficiaries. The scandal, however, should not have come as a surprise, as an Auditor-General’s report from January 2009 had detected irregularities in the MoH as far back as 2007. Earlier assessments by the World Bank (from 2003) and even the donor-government Joint Assistance Strategy 2007 pointed to inadequacies in Zambian public expenditure management.

“The scandal proved [...] the risk assessment right but the forewarning did not ease the reaction of the donor community” (Pereira 2009, 9). The response by the donors was immediate: several suspended the disbursement of funds or asked for them to be frozen. Most salient was the withholding of funds by Sweden and the Netherlands, who came under much public pressure in Zambia as the reduced funding impacted adversely on health service delivery. The health sector in Zambia is highly dependent on external funding, with approximately 50 per cent of MoH core funding stemming from foreign donors. The donors directly involved in the health sector channel their money through an expanded basket account managed by the MoH from which funds are assumed to have gone missing as well. As more corruption cases are discovered, the amounts of embezzled funds rose to US\$7 million (Yauch 2010) resulting in several hundred million dollars of donor funds suspended also in other sectors.

In July 2009, the government agreed with the donors on the “Action Plan for Strengthening Accountability and Controls in the Ministry of Health” which set out a range of actions, including dialogue, prosecution, repatriation of funds, as well as comprehensive financial system audits. The actions were due to be implemented by September 2009, with disbursement tranches tied to specific benchmarks. However, implementation seems to be lagging behind.

This recent corruption incident has eroded a great deal of trust between the donors and the Zambian government. However, the government (i.e., the two institutions of restraint: the Auditor-General and the Anti-Corruption Commission) is perceived to be doing its job well. Nevertheless, a general uncertainty has spread among the donors, especially regarding the question of how to move on with the aid effectiveness agenda. According to Pereira (2009), though, the scandal laid bare the strengths and weaknesses of the agenda. Indeed, the case offers some interesting insights:

- Despite budget support being questioned in the aftermath of the scandal, Pereira repeats the well-known argument that budget support has allowed for corruption to be exposed. However, this needs further consideration. It is not unlikely that the large inflow of funds can actually contribute to corruption. In addition, while it is true that this aid modality allows for more donor scrutiny of government systems, such scrutiny seems not to prevent corruption. The detection of corruption is more likely to happen through other mechanisms and actors (in this case allegedly a whistleblower).
- Unfortunately, owing to the scandal, a recent International Health Partnership and Related Initiatives (IHP+) to replace the 2006 MoU between the government and the donors was halted. The IHP+ was trying to introduce mutual accountability into the donor-government relationship by giving civil society and parliament watchdog roles. The mentioned Action Plan between the government and donors does not include external scrutiny.
- The Action Plan is focusing only on technical measures. Underlying political dimensions that complicate effective oversight are not addressed. It is claimed that the recent scandal was made possible by lack of will to adhere to existing procedures, which would indicate a management rather than a technical problem.

BOX 5 (CONT.): CORRUPTION IN THE ZAMBIAN HEALTH SECTOR AND IMPLICATIONS FOR MUTUAL ACCOUNTABILITY

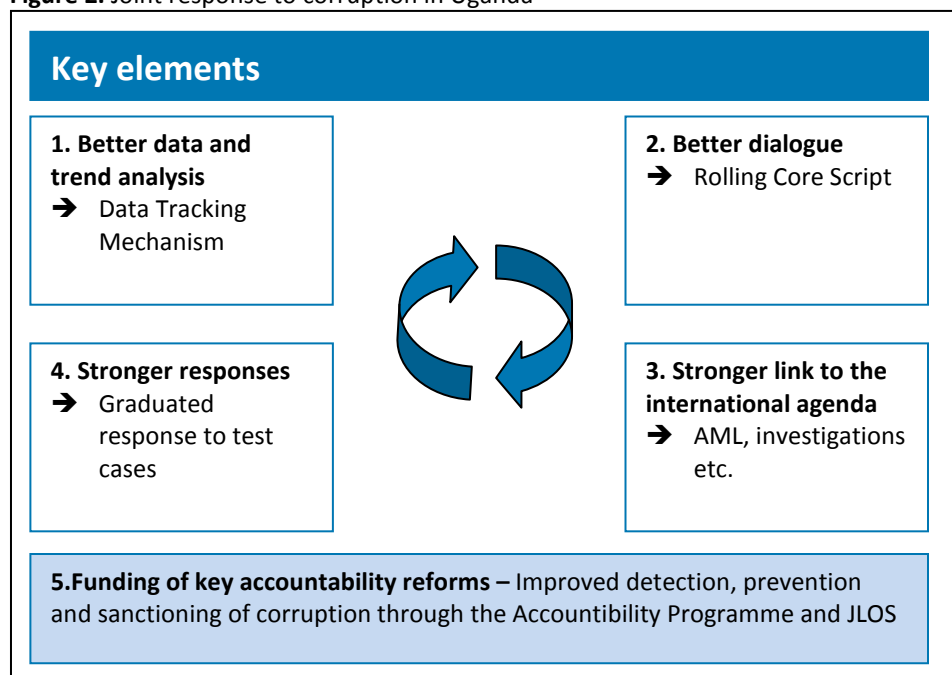
- For the government, the high degree of harmonisation of donor actions proved problematic, as relatively uniform reactions to the scandal caused funding shortages. There seems to be a trade-off between the two Paris principles of harmonisation and mutual accountability.
- Moreover, the implications of different aid modalities for mutual accountability and corruption seem less clear than ever. Donors are backing off from budget support, and at the same time a large variety of funding mechanisms obscures transparency in the sector. Vertical funds, for example, that are triple the size of the MoH budget, are out of the ministry's control.
- In the aftermath of the scandal, the government-donor dialogue was intense and worked rather well. The Auditor-General provided donors with information regarding the forensic investigations. It is important to note from a mutual accountability perspective that the role of the Auditor-General seems to have been more dominant than for instance that of the parliamentary accounts committee. It would be worth finding out what role the latter played. Information given by interviewees indicates that donors in their public relations were more preoccupied with showing their home constituencies that action was being taken than working together with domestic accountability actors.

(The content of this box is mainly based on a paper by Pereira [2009], as well as several interviews with local stakeholders)

Recognising the impact of corruption incidents on the donor-recipient relationship, a joint approach was developed in Uganda in 2009 under DFID leadership (de Vibe 2011). The basic elements of this exercise and the lessons learned can be instrumental for the operationalisation of mutual accountability.

The approach comprises five key elements (as shown in Figure 2) and was expected to improve joint responses by the donors. The underlying rationale was the acknowledgement that donor engagement and relations with the Government of Uganda (GoU) so far had been marred by corruption incidents to which donor responses had been rather erratic and uninformed:

Figure 2. Joint response to corruption in Uganda



Source: DFID 2010

1. **Better data and trend analysis:** In order to better structure the dialogue a first precondition was to improve, together with the GoU and local research institutes, the relatively poor database on corruption trends. The idea was to develop core corruption indicators relevant to local contexts—aligned with national reform priorities and the African Peer Review Mechanism⁵—to improve the quality of data sources, to gather information by means of a data tracking mechanism, and to allow for non-governmental review.
2. **Better dialogue:** In the past, donors in Uganda had not been strategic in their political engagement regarding corruption. The lack of coordinated messages to the government, and insufficient linkage of technical and political dialogue, as well as a difficult balance between raising concerns about short-term corruption scandals versus long-term systemic challenges were all indicative of this problem. In order to remedy this problem, the donors decided on the development of a rolling core script which—based on evidence—would enable them to be more consistent in conveying messages to the GoU and their own headquarters.⁶
3. **International agenda:** The joint response concept also entailed better recognition of international factors (such as money-laundering and organised crime) fuelling domestic corruption. Better integration of international anti-corruption instruments was thought not only to challenge and support necessary reform in Uganda, but also in the donors' home countries. Envisaged instruments covered international investigations, anti-money laundering (AML), South-South learning networks, oil transparency initiatives, defence, political party financing, international anti-corruption conventions, and diplomatic means to exert political pressure. Initially, only the first two issues were followed up, involving support for implementing new AML legislation and capacity building of Ugandan investigating and prosecuting institutions.
4. **Stronger response:** The donors in Uganda recognised the need for better follow up with coordinated responses when corruption was not addressed by the GoU: “In the past, in Uganda as in many other contexts, there has been little evidence that we ‘bite’ where we ‘bark,’ and our own rhetoric on ‘zero tolerance to corruption’ has at times remained just that—rhetoric” (DFID 2010, 28). Four test cases were identified (reflecting different types and scales of corruption) by the donors in order to develop graduated responses based on strong evidence, a clear understanding of due diligence by the GoU, and agreed responses in case of unmet performance (as shown in Table 1).

Table 1: An informed and agreed basis for common responses

Evidence	GoU due diligence	Graduated response
Build a strong evidence base and shared understanding of the corruption case	Clarity on what is expected from GoU in terms of due diligence	Activate graduated joint response if performance stagnates or deteriorates
Based on GoU data sources	Sanctioning	Agree in advance
Clarity on detail and scale	Follow up on audits, etc.	Willingness to activate response
	Future safeguards	

⁵ The African Peer Review Mechanism (APRM) is an arrangement whereby the member states of the African Union subject themselves to scrutiny and evaluation of each others' achievements and improvements in key areas: democracy and political governance, economic governance, corporate governance, and socio-economic development.

⁶ The rolling core script is the overall documentation of the results regarding the analytic steps agreed. It includes information on corruption trends analysis, short-term and long-term corruption cases, Ugandan legal and institutional capacities to deal with corruption, as well as an assessment of future risks (e.g., oil revenue), in order to serve as a common basis for donor responses.

This step included the need for a creative approach by donors to engage not only in conventional responses (such as suspending or withdrawing funds), but also potentially new responses (e.g., forms of smart sanctions such as freezing and recovering assets, banning travel, etc.), and responses entailing reputational pressure.

- 5. Focus on key accountability reforms:** Uganda's legal environment is considered sufficiently strong to address corruption. However, there is an "accountability deficit" in addressing grand corruption and in enforcing sanctions. The public's ability to demand accountability reform remains weak. Hence, donors agreed on supporting a five-year accountability programme to complement the above steps. The programme supports financial management, as well as the strengthening of service delivery and accountability at the local level through enhanced citizen demand. The improvement of judicial sanctioning and future oil revenue transparency was expected to be covered via existing programmes.

Several lessons learned so far from the Ugandan process are helpful as to how one can operationalise mutual accountability. First, a closer look at the local aid structure is useful. In Uganda, for instance, the technical working groups on anti-corruption and the one on public financial management were merged into one accountability working group in order to bring the technical and political dialogues closer. Furthermore, the input from staff in headquarters on the importance of common positions has helped much in facilitating better donor coordination on the ground. However, probably most important for our mutual accountability discussion is the fact that differences of agendas and incentives among donors made it difficult to agree on common approaches and responses. "For most development partners there is a price to pay for being more upfront internally and externally about corruption concerns. By bringing corruption issues to the attention of HQ [headquarters] level there may be serious implications in terms of approval of new programmes" (DFID 2010, 37). This insight suggests that donors still need to work on their internal incentives and value systems for dealing with corruption. Many donor agencies have evolved from a culture of concealing and denying that corruption occurs, towards a zero-tolerance stance. However, this zero-tolerance notion has rarely been properly elaborated and communicated internally and to the aid recipients. Consequently, the perverse impression was created and to some extent confirmed by experience by many donor staff—especially those working in partner countries—that there is zero-tolerance of detecting and reporting corruption. Instead, a sophisticated zero-tolerance policy needs to entail internal procedures and routines for responding to corruption problems when engaging in countries where corruption is endemic. Zero-tolerance thus needs to be applied in several ways: zero-tolerance to concealing corruption, robust investigation, and sanctioning when it occurs, but not showing zero-tolerance towards the one who blows the whistle.

With regard to the relationship with the GoU, the donor community found it difficult to strike a balance between challenging the aid recipient while at the same time maintaining a constructive dialogue. This goes to the core of mutual accountability and may be the litmus test of an honest relationship between donors and recipients sticking to their commitments. However, donors might find themselves unable to maintain a tough response when needed, as other political agendas and interests interfere (such as security and trade interests). Sticking consistently to responses communicated early enough will enhance the donors' reputation and credibility. On the other hand, such responses may open up room for new emerging donors who do not have a zero-tolerance policy to fill the gaps. There is a chance that a playing field of this nature might get more level in the future, as the emerging donors also commit themselves to complying with international anti-corruption conventions such as the United Nations Convention against Corruption (UNCAC). Similarly, recipient governments need to face up to their international commitments under UNCAC, making it potentially harder to dismiss donor influence on corruption issues as an infringement of their sovereignty. Moreover, sovereignty from an international law perspective can also entail a government's duty towards its citizens to comply with commitments made.

The danger of encouraging stronger accountability towards donors than towards Ugandan citizens was acknowledged in this particular exercise and sought to be countered by referring directly to national oversight institutions (such as Parliament or the Auditor-General) where possible. It is unclear to what extent the general public (through mass media and civil society organisations) was part—or at least informed—of the process, a step that would enhance the quality of mutual accountability. It is important to keep in mind, though, that the Ugandan exercise was not thought of as a mutual accountability mechanism. Rather, it was designed to enhance the ability of the donors to respond jointly to failure by the recipient to honour its accountability pledges. This is a laudable and probably necessary precondition to operationalising mutual accountability.

In terms of lessons learned from managing this extensive exercise, it should be pointed out that it was only feasible through the financial and personal commitment of dedicated donor staff and one agency taking the lead. This is where one needs to revisit interpretations of the Paris Declaration that suggest the achievement of more efficient aid through a reduction of transaction costs. It needs to be realised that mutual accountability entails dealing responsibly with highly political issues, including the seriousness of a recipient's *actual* commitment to curbing corruption. Towards that end, it is indispensable for donors to invest in informed and skilled staff at the country level. Mutual accountability does not come at a low price, but the price for not dealing with it responsibly might be much higher.

It remains to be seen what changes this and similar exercises will bring about in the future. Still, the need for robust joint responses in corruption cases is well documented in a forthcoming joint donor assessment of anti-corruption programming in five countries (ITAD 2011). This evaluation also highlights other interesting lessons learned, suggesting that donors need to improve their approach to anti-corruption reform in recipient countries if we are to expect low corruption levels to make a contribution to mutual and domestic accountability:

- Donor-supported public financial management programmes have helped to improve recipient countries' performance, but their major weakness is poor internal audit mechanisms;
- Donor support to public sector reform and judicial reform remains low;
- Donors predominantly focus on government institutions in their support. The role and responsibility of the private sector are not acknowledged. Nor is support to civil society—the so-called demand side of reform—sufficient to improve domestic accountability. Support to parliaments, the mass media, and nationwide advocacy is too often extended in an ad hoc fashion; and,
- Some donor practices, such as excessive per diems for a plethora of workshops, might induce corrupt behaviour.

Nevertheless, the evaluation also found areas where donors can be influential in improving anti-corruption efforts, thus enhancing domestic accountability in recipient countries:

- Combining evidence gathering (such as donor support for national surveys or audits) with public reporting through the mass media or parliamentary debate;
- Promoting inter-agency cooperation to strengthen collective action and accountability (e.g., cooperation between anti-corruption agencies and civil society, supreme audit institutions with parliamentary accounts committees, and law enforcement agencies on specific corruption cases);
- Including integrity measures in the capacity building of recipient institutions; and,
- Supporting grassroots monitoring at the level of service delivery.

By supporting capacity for domestic accountability actors and, more importantly, by focusing on accountability processes to enhance their impact, donors will contribute a great deal towards advancing the mutual accountability agenda.

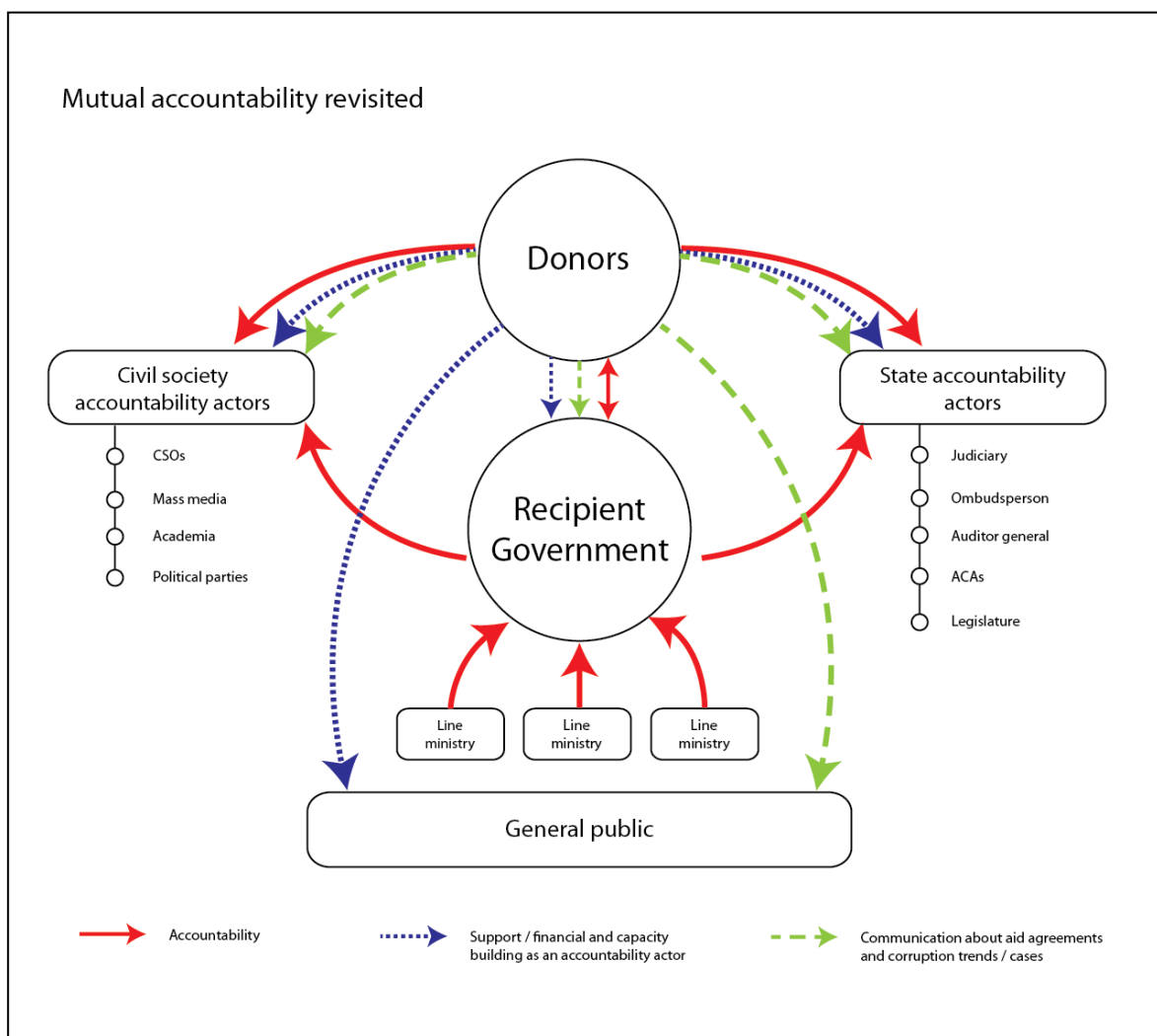
6. Conclusion and recommendations

The above discussion shows that mutual accountability is a very complex concept, involving a multitude of stakeholders and dimensions at various levels. In particular, the long distance between the donors' domestic constituencies and those of recipient country constituencies at the grassroots makes it very challenging to achieve. This distance problem is further compounded by the difference in the make-up of those constituencies in terms of socio-economic status and culture. The complexity of mutual accountability not only makes it difficult to grasp the concept but above all hard to apply in practice. Indeed, it may be justified to question its very feasibility as an operational principle. It is not least the built-in structural asymmetry between donors and recipients that call into question whether genuine mutual accountability is workable in practice.

Notwithstanding its complexity, however, mutual accountability remains a principle of the Paris Declaration. The donor community and its partners in developing countries are committed to applying it—at least on paper—even though only feeble attempts have actually been made so far. Therefore, renewed efforts have to be made in order to honour the commitments made in 2005 and subsequently reaffirmed at the 2008 high-level forum in Accra. However, it also needs to be acknowledged that mutual accountability necessitates much more efforts on the part of donors and recipients alike than might have been envisaged. Also, mutual accountability is a fragile concept that cannot be stretched excessively if trust is being breached consistently.

Given the complexity of mutual accountability it is a daunting task to venture operational recommendations. But even the longest journey starts with the first step. That first step is psychological: acknowledge the complexity of the mutual accountability chain without being deterred by the challenges it poses! No problem can be solved without a proper diagnosis.

Further, we argue that mutual accountability needs to be approached from a broader angle and take seriously the inherent risks—especially corruption. In that sense donors will have to broaden their basis of action beyond the executive of a partner country. Key accountability actors and relations need to be supported, not only financially, but with key capacity building efforts towards buttressing their accountability role. We argue that accountability capacity building can best be built by dealing constructively with specific corruption trends and cases—including improving the knowledge base—as has been shown in the joint donor exercise in Uganda. As displayed in Figure 2, this crucially includes building strong relationships between donors and accountability actors, for instance by providing necessary and timely information about aid flows, aid agreements and conditions with the recipient government, foreseen responses in cases of non-fulfilment, and so forth. In essence, donors need to exercise their role as development partners by demanding accountability from their counterpart governments where domestic accountability actors are still too weak to make a difference. However, bringing domestic accountability actors into this process simultaneously is a prime objective. The following recommendations are supportive of this.

Figure 3: Mutual accountability relations revisited

Source: Authors

Recommendation 1: Undertake a thorough political economy analysis of the entire mutual accountability chain. In turn, this analysis will provide the context within which the mutual accountability principle is to be applied. The empirical investigation that a political economy analysis brings to the table forms the context of practice. It is important that the analysis be comprehensive rather than partial. A partial analysis will defeat its purpose, even though it may be tempting to cut the admittedly high costs of an exhaustive approach. Joint funding of independent analyses should be encouraged in the interest of harmonisation and increased efficiency.⁷ Duncan and Williams (2010) make the point, however, that political economy analysis runs the risk of becoming a “dismal science of constraints” that serves only to catalogue the difficulties of undertaking reform, without identifying the opportunities and entry points for change. It is imperative that such pitfalls be avoided. The focus of analysis needs to be much more on identifying the “room for manoeuvre” within the broader political constraints, and to identify potential configurations of interests, actors, and incentives that could maximise the possibility of collective action and change.

⁷ Joint assessments have been tried through the OECD/DAC and have been found cumbersome to conduct. This is partly due to donors adhering to their own assessment standards. However, donor harmonisation in this vein would truly lift a heavy burden off recipient countries’ need to respond to a myriad of assessments at regular intervals.

Recommendation 2: On the basis of the context that the political economy analysis would provide, engage in dialogue with multiple stakeholders on the full range of issues. It is critical that dialogue and all other means of communication and negotiation be exhausted before opting for dramatic suspension, reduction, or termination of aid flows. The latter might do irreparable damage to relationships of trust.

Recommendation 3: Risk assessments should be made as an integral part of the political economy analysis, preferably disaggregated by stakeholder and country-specific context. Donors routinely perform risk assessments before signing agreements and embarking on specific interventions and making disbursements, but they are typically confined to projects and programmes. Budget support as a mode of operation is also subjected to risk assessment. But to our knowledge no comprehensive risk assessment has ever been made of the entire mutual accountability chain. Such an assessment would provide guidance as to what aid forms and channels would be appropriate and most effective. Nevertheless, no intervention would be free of risk. We argue that the risk of corruption needs to be raised pro-actively as a central concern in such assessments. One way of doing so could be to assess the current use of corruption and accountability indicators in performance assessment frameworks.

Recommendation 4: In negotiations with recipient governments donors should encourage the introduction of performance contracts for senior civil servants with a view to monitoring their performance over time and to providing incentives for behaviour in accordance with legal-rational Weberian precepts. However, given that donors are not providing the salaries of civil servants in recipient countries, they are, of course, not in a position to insist on such a measure. In the spirit of mutuality, the donor community should do the same at their respective home fronts. Such performance contracts should be designed to prevent perverse incentives that might encourage reprehensible or corrupt behaviour or its detection. At the same time, donors need to consider the cost of establishing mutual accountability frameworks and make available sufficient and informed staff to engage in dialogue with recipients. Placing that kind of heavy responsibilities on just a few in the name of aid efficiency may not be sustainable. Donors should also overhaul their internal zero-tolerance policies to support staff engaging in political dialogue in difficult environments, as well as to re-examine their modes of aid delivery (especially to prevent the emergence of a so-called per diem culture).

Recommendation 5: Donors should chart exit strategies, reflecting a genuine stance of mutual accountability. Exit strategies would provide the recipient governments with indications as to how long and at what level of support a donor would be likely to engage in normal circumstances. This would, in turn, ensure the recipients predictability of aid flows and a time frame within which to adjust to the foretold withdrawal of aid. Exit strategies should not be an affair internal to the donors. They should be discussed in dialogue with the recipients in a spirit of mutual accountability.

Recommendation 6: Donors need to include a strong anti-corruption lens into their mutual accountability concepts and practices, including support to a range of accountability actors, grassroots monitoring, judicial reform, improving cooperation and communication between accountability actors, and a better knowledge base on corruption in the recipient country.

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Mutual accountability is one of five principles of the Paris Declaration on Aid Effectiveness. Yet comparatively little has been written about this principle and how it is operationalised. It remains ill-defined and poorly understood by the stakeholders involved. A review of the existing literature and analysis of experiences of operationalising mutual accountability, primarily in Africa, point to ways of strengthening this principle. This includes engaging in dialogue with multiple stakeholders on the full range of relevant issues before a mutual accountability framework is put in place. Also, a thorough political economy analysis of the entire mutual accountability chain, with a risk assessment as an integral part, should be undertaken. Donors should encourage recipient countries to introduce performance contracts for senior civil servants with a view to monitoring performance over time and to providing incentives for behaviour in accordance with the standards of a rule-based and accountable public service. Donors on the other hand should chart exit strategies that provide recipient governments with clear indications as to how long and at what level of support they are likely to engage under normal circumstances so as to ensure predictability of aid flows. Finally, a strong anti-corruption lens should be included in mutual accountability concepts and practices.