

# Strengthening Accountability in Budget Support Countries - DFID's 5% Commitment: Briefing Note for Country Offices

## 1. Purpose of the Note

1.1 This note sets out what DFID Country Offices need to do to meet, monitor and report on the commitment to spend up to 5% of Budget Support on strengthening domestic accountability. It also provides some examples of the support that Country Offices might consider to enable people to hold their governments to account. This note should be read in conjunction with the new guidance on *Implementing DFID's Strengthened Approach to Budget Support*.<sup>1</sup>

## 2. What is accountability and why does it matter?

2.1 Accountability is about officials and politicians answering for their actions and being subject to redress if they fail to deliver on their commitments and responsibilities.<sup>2</sup> As well as having an intrinsic value, accountability can play an important role in ensuring that aid and other public resources are spent effectively, and in contributing to improved service delivery and poverty reduction. To be accountable, states need to be capable of responding to citizens' needs and doing so transparently. Accountability also requires mechanisms that enable citizens to hold government to account. These include:

- **Direct mechanisms** for citizen feedback and oversight of service delivery, budget and revenue processes, and other public policies.
- **Organisations** that represent citizens' views in engagement with power-holders (e.g. civil society organisations or political parties); and
- **Formal accountability mechanisms** such as elections, parliaments, auditors and ombudsmen at local and national levels.

2.3 Progress on accountability requires shifts in power and politics that are primarily the outcome of internal processes of contestation between different interest groups in a particular society, often mediated through informal social and political mechanisms. There are limits to what donors can do. However, there is evidence that DFID and other external agencies can play a catalytic role in helping to enhance accountability and to foster the inclusive and legitimate institutions that are at the heart of stable, adaptable and resilient societies<sup>3</sup>. The evidence also suggests that donors can improve

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<sup>1</sup> See also DFID *Emerging Guidance on Empowerment and Accountability*, presented to the DPC in February 2011

<sup>2</sup> See for example: *Making Services Work for Poor People*, World Development Report 2004, World Bank; *Who Answers to women? Gender and Accountability*, UNIFEM 2008/2009; McGee R and Gaventa J (2010) *Review of Impact and Effectiveness of Transparency and Accountability Initiatives* Sussex: Institute of Development Studies.

<sup>3</sup> See for example the *World Development Report 2011*, on the importance of legitimate institutions.

their impact when they work with country partners to identify “best fit” solutions which are suited to local realities, rather than “best practice” solutions imported from the West<sup>4</sup>.

### 3. DFID’s accountability commitment

3.1 **DFID has made a commitment to spend up to 5% of Budget Support** to enable people in budget support countries to hold their governments and public authorities to account for the use that is made of public resources, including aid. Strengthening accountability is important in all contexts where DFID works. The focus of the 5% commitment on budget support countries reflects our particular responsibility in these contexts to ensure that citizens can hold governments to account for spending, which is also reflected in the **new partnership commitment on strengthening domestic accountability**.

### 4. Building on transparency

4.1 The provision of aid as Budget Support can provide – alongside commitments made as part of the UK’s **Aid Transparency Guarantee** – a good basis for transparency around the use of public resources. The 5% commitment emphasizes DFID’s ambition to enhance transparency. It also goes beyond it to actively strengthen the capacity of parliaments, audit institutions, the media and citizens’ groups, so that they can help people in developing countries to hold their governments to account, drive improved performance and deliver better development results. This commitment links strongly to DFID’s increasing work on empowerment and accountability, so that poor people can exercise choice and control over their development, including by holding decision-makers to account.

4.2 **The 5% commitment focuses on those non-executive accountability organisations that provide a link between citizens and the state.** This is not to downplay the importance of government capacity; indeed, programmes which seek to build linkages and alliances across the state and non-state divide are in many cases the most effective form of support.<sup>5</sup>

### 5. Meeting the 5% Commitment

5.1 **Decisions about how best to support the strengthening of domestic accountability are for DFID Country Offices to make** – in consultation with country partners, bilateral and multilateral donors and other parts of HMG, especially the FCO. Each DFID Country Office which provides Budget Support should aim to spend up to 5% of Budget Support on strengthening domestic accountability, but with flexibility to respond to

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<sup>4</sup> See for example: *An Upside Down View of Governance*, Sussex, Institute of Development Studies (2010)

<sup>5</sup> See for example McGee R and Gaventa J, (2010) *The Impact and Effectiveness of Accountability and Transparency Initiatives*, Sussex: Institute of Development Studies

individual country circumstances. The precise level of spend will depend on an analysis of the overall accountability context, the absorptive capacity of accountability organisations and the activities of other donors. This flexibility will also allow for fluctuations of spend in relation to both Budget Support and accountability work across the programme period.

**5.2 Country Offices will be expected to explain their decisions** about how much support to provide to strengthening domestic accountability in their **Budget Support submissions**. All DFID support to domestic accountability organisations, excluding direct support to elections, will contribute towards meeting the commitment. Box 1 provides further details on what support will count for meeting the 5% commitment.

**Box 1: How will the proportion of Budget Support spent on domestic accountability be calculated?**

- The formula is spend on domestic accountability organisations divided by spend on Budget Support.
- Budget Support will include both General Budget Support and Sector Budget Support.
- Spend on domestic accountability includes support provided to parliaments, audit institutions, civil society organisations, human rights and anti-corruption commissions, media organisations, and multi-stakeholder coalitions for change.
- Spend on domestic accountability includes support provided by Country Offices through partners such as UNDP and the World Bank.
- Domestic accountability programmes funded through DFID's core multilateral contributions, including UNDP and the World Bank, or DFID's Governance and Transparency Fund are not included, nor is direct support to elections.

## **6. Using evidence and analysis to inform choices**

**6.1 The 5% target allows considerable flexibility for Country Offices. Decisions about how much support to provide for domestic accountability and through what sorts of organisations must be informed by evidence and analysis.**

6.2 The existing evidence base about the impact of donor-supported empowerment and accountability interventions contains many gaps, varies in quality and demonstrates that some of the tools that have been developed – such as citizens' report cards and community scorecards – have had mixed results. In addition, it is clear that different contexts require that donors take different approaches and that paying insufficient attention to context can lead to negative impacts.<sup>6</sup> As the online guidance and learning community on empowerment and accountability develops, Country Offices will be able to

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<sup>6</sup> Empowerment and accountability note for DPC and Annex 3 – Selected Review of Evidence - February 2011.

make use of those resources to inform their decisions about how to invest in domestic accountability.<sup>7</sup>

6.3 More broadly, it will be essential to ensure that programming decisions are informed by robust political-economy analysis of the opportunities and risks arising from efforts to support the strengthening of domestic accountability. Country Governance Analyses, Public Expenditure and Financial Accountability (PEFA) assessments and Gender and Social Exclusion Analyses will all be useful.

6.4 **Monitoring, evaluation and learning must be a central plank of programming on accountability and empowerment.** A concerted effort on this is needed to ensure that over time Country Offices have the information they need to make well-informed decisions. In the meantime, Country Offices that opt for more innovative approaches, where the evidence base is weaker, should clearly acknowledge this and ensure that monitoring, evaluation and learning about the effectiveness of such engagement is an absolute priority.

**Box 2: What do Country Offices need to do?**

- Consider whether they are doing enough to enable people – including the poor, the marginalised and women and girls – to hold their governments to account for the use of aid and other public resources.
- Explore – on the basis of sound political economy analysis – the opportunities for doing more to support the strengthening of domestic accountability.
- Exchange lessons and experiences with other Country Offices, making use of and contributing to the emerging evidence base, through the on-line learning community on empowerment and accountability.
- Decide whether and what additional support to provide to domestic accountability organisations.
- Explain – in their Budget Support submissions – what decisions have been taken about how to enable people to hold their governments to account.
- Add “Accountability Target” to Component Purpose Field for relevant projects (see Box 1) in ARIES.
- Liaise with Finance and Corporate Performance Department (FCPD) on monitoring the commitment and reporting on it through country planning and review processes.
- Evaluate what has been achieved through reviews of their country plan, Budget Support and other accountability programmes.

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<sup>7</sup> Interim guidance can be found on the Policy Division empowerment & accountability pages. A fuller online resource will launch in mid-2011.

## 7. Monitoring the 5% commitment and assessing its impact

7.1 **Progress on meeting the commitment will be monitored in a way that minimizes transaction costs.** For spending to count against the target, Country Offices should include the words “ACCOUNTABILITY TARGET” in the Component Description field for relevant projects in ARIES. This should include those elements of wider programmes of support for Public Financial Management or Security and Justice that focus on parliaments, supreme audit institutions, civil society and the media. FCPD will develop a report to monitor progress towards the commitment, working with Country Offices and Regional Cabinets. The role of Regional Cabinets will be to help Country Offices consider how best they might contribute to meeting the commitment, and to encourage Country Offices to keep project details up to date in ARIES.

7.2 **A review will be undertaken after eighteen months** to assess whether the commitment is being met and to identify early lessons around implementation and impact. To this end, Country Offices will need to keep track – as part of their standard country and programme evaluations – of the effectiveness of the support provided under the 5% commitment. Evaluations of Budget Support should draw on this analysis to explicitly consider the contribution of the 5% commitment to progress on the new partnership commitment on strengthening domestic accountability.

7.3 Evaluating the impact of the 5% commitment on domestic accountability, and – further down the results chain – on aid effectiveness and developmental impacts represents a major challenge. Addressing the challenge of relating spending on accountability to developmental impacts must be a key part of DFID’s work on empowerment and accountability. In meeting this challenge, it will be important to consider the full range of developmental impacts, including those that reflect the intrinsic value of accountability (e.g. the ability of people to exercise voice and influence the decisions that shape their lives) as well as those (e.g. better access to health services and education) that accountability can help to deliver.

## 8. Managing Risks

8.1 Meeting this commitment entails a number of risks. This includes an over-emphasis on the quantity rather than the quality of support for strengthening domestic accountability. DFID support may overwhelm the absorptive capacity of civil society organisations, or create donor-dependent organisations that lose their legitimacy with domestic constituencies.

8.2 To mitigate these risks, Country Offices should:

- Make good use of political economy and other relevant **context analysis** to inform all interventions.
- Pay particular attention to “**do no harm**” in guiding their programmes at both the organisation and country levels.

- Continue to work on **both sides of the accountability equation**, helping to strengthen the capacity and ability of government to respond to increased demands from citizens and other domestic constituencies.
- Focus on **results** rather than inputs.
- Implement key **principles of the aid effectiveness** agenda, harmonising their efforts with those of other donors and avoiding duplication.
- Work with country stakeholders to nurture **country ownership** of reforms.
- Learn from previous interventions on accountability, invest in building a robust **evidence base** and ensure current support is subject to ongoing monitoring and evaluation.

## 9. Examples of Support

9.1 This section provides some suggestions about the types of **activities that might be supported to increase accountability for the use of public resources**, along with some illustrative examples.<sup>8</sup> The selection of examples in this paper is not intended to be prescriptive or all-encompassing. As the evidence base on empowerment and accountability improves, Country Offices will be able to make well-informed decisions about the balance of their support to domestic accountability, choosing whether to support, for instance, parliaments and supreme audit institutions, or more innovative mechanisms such as citizens' school management committees and the monitoring of health service delivery by GPS-enabled mobile phones.

9.2 There is some evidence to suggest that the most effective engagement seek to build the capacity of **systems of accountability** working around particular issues such as budgets or service delivery, rather than supporting individual organisations which may struggle to have much impact on their own. Country Offices should take on board the insights from ongoing research which emphasises the importance of informal social and political relationships, and how donors should look to work "with the grain" of informality rather than promoting solely the formal apparatus of good governance<sup>9</sup>. And, they should also ensure that they give specific attention to enhancing the ability of **poor and marginalised groups, including women and girls**, to have voice and to hold decision-makers to account.

9.3 **Parliaments:** Parliaments play – or should play – a key role in overseeing budget and planning processes and in enabling people to hold their governments to account. However, in most developing countries, parliaments **lack the capacity or the incentives** to play that role effectively. Parliamentary Committees, including Public Accounts, Budget or Finance

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<sup>8</sup> With the exception of the Nepal example – kindly provided by the BBC World Service Trust – all the country examples were provided by DFID Country Offices.

<sup>9</sup> See for example: *Working with the Grain: Rethinking African Governance*, IDS Bulletin, Volume 42, Issue 2 (March 2011); and *The State's Legitimacy in Fragile Situations: Unpacking Complexity*, OECD (2010)

Committees, and in some instances Poverty Reduction or MDG Committees can be a useful focus for such support, as can Parliamentary Budget Offices.

### **Box 3: Supporting Parliaments**

#### **Ghana - The Public Accounts Committee publicly demands accountability**

From 2006 to 2008 DFID spent – working closely with the Parliamentary Centre, an independent capacity building organisation – £330,000 to support the Public Accounts Committee. This provided the Committee with a place to meet and resources to enhance the quality of its work. This enabled the Committee – setting a precedent for the Ghanaian parliament – to meet in public, generating much public debate and media coverage about corruption and the use of public resources.

#### **Zambia – Enhancing the influence of MPs on the Public Accounts Committee**

From 2004 to 2010 DFID Zambia provided – as part of a multi-donor Public Expenditure Management and Financial Accountability programme, to which DFID contributed almost £1 million – support to develop the capacity of parliament to play its oversight role in public resources management. This included support to parliamentary committees, particularly the Public Accounts Committee. Data collected by the University of Cape Town show a significant increase in the degree of influence that MPs feel they have on the budget process, a finding that is echoed in the 2008 Public Expenditure and Financial Accountability (PEFA) assessment.

9.4 **Audit Institutions** Supreme Audit Institutions and the Office of the Auditor General have an important role to play in ensuring the probity of the budget process and keeping a close eye on government expenditures. They also provide essential inputs into the work of parliamentary Public Accounts Committees, providing the information, evidence and objective analysis that parliaments need to play their part in enabling people to hold their governments to account.<sup>10</sup>

### **Box 4: Supporting audit institutions**

#### **Uganda – Strengthening audit as part of public financial management reform**

Since 2007, DFID Uganda has provided US\$4 million in support to the Office of the Auditor-General (OAG) as part of the wider Public Financial Management reform programme (FINMAP). Complementary technical assistance worth £80,000 has also been provided by the UK's National Audit Office. The coverage, timeliness and quality of audits have, and are still improving. Furthermore, the Central and Higher Local Government Audit backlog has been cleared. Support from the UK NAO has supported the OAG with their restructuring, governance and Human Resource functions.

<sup>10</sup> To give them proper independence from the executive, Supreme Audit Institutions should be part of the legislative in Anglophone countries and the judiciary in Francophone countries, but in many countries they are still a part of the executive. They are included in this list of domestic accountability organisations that DFID may wish to support because of the important role that they can play in enabling citizens, civil society organisations and parliaments to hold the executive to account.



## Vietnam – Strengthening the State Audit of Vietnam

DFID Vietnam has worked with the UK's National Audit Office to support the State Audit of Vietnam (SAV) to take greater ownership of its future development and to improve the quality and quantity of audit. Following years of uncoordinated, piecemeal support from different donors, in 2008 the SAV prepared a strategic plan to 2020 (approved by the Vietnamese National Assembly in 2010), and – with DFID's support – has turned this strategy into a detailed, sequenced action plan, with which future donor support will be aligned .

9.5 **Citizen Engagement:** Direct citizen engagement with service providers to give feedback and influence decision-making can be supported through diverse range of participatory techniques and tools including **citizen and community report cards, participatory monitoring, regular opinion polling, or social or citizen audits**. These provide service users with opportunities to comment on services provided either by the state or non-state agencies. In some sectors, community monitoring boards for schools or health clinics have been established as a more permanent mechanism for feedback. Access to information is an important component in citizen monitoring work. Increasingly, new technologies such as mobile phones or crowd-sourcing are being used to gather citizen feedback. Overall, the expectation is that public exposure of poor performance may provide incentives for improving service delivery. However, while such approaches have led to increased government responsiveness and improved service delivery outcomes in some contexts, in others the impact has been limited – underlining the importance of contextual factors in determining results.<sup>11</sup>

9.6 Citizens' and civil society organisations and community groups – including **budget monitoring organisations** – can play an active role in enabling people to access the policy process, and thereby enhance accountability for the use of aid and other resources.<sup>12</sup> Such organisations can be active around the whole of the planning and budget cycle, with involvement through:

- Access to information;
- Transparency on revenue streams, including from natural resources;
- Participatory planning and budgeting; or
- Participatory public expenditure tracking and social auditing..

An important sub-set of approaches and organisations takes a **strong gender-perspective on the budget process**, seeking to ensure that

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<sup>11</sup> See for example, Gaventa, J. and Barrett, G. (2010) *'So What Difference Does it Make? Mapping the Outcomes of Citizen Engagement'* IDS Working Paper 347; and Joshi, A (2010) *Review of Impact and Effectiveness of Transparency and Accountability Initiatives: Annex 1: Service Delivery* Sussex: Institute of Development Studies

<sup>12</sup> See [www.internationalbudget.org](http://www.internationalbudget.org) for tools and examples relating to budget monitoring.



budgeting processes and outcomes take into account the needs of women and girls, as this example from Uganda shows.

#### **Box 5: Supporting civil society**

##### **Uganda – Budgeting from a gender perspective**

DFID is providing support to the Forum for Women in Democracy (FOWODE) to audit the Budget Framework Papers and the national budget in order to assess the extent to which they are gender-responsive. DFID will provide three year support to FOWODE to work alongside the Ministry of Gender and Ministry of Finance, Planning and Economic Development to persuade those parliamentary committees charged with budget scrutiny to incorporate a gender perspective.

9.8 Civil society organisations are often active in seeking to defend and promote the **human rights** that provide the basis for accountability and working to tackle the **corruption** that leads to the waste and theft of aid and other resources. Additionally, there may well be value in considering the provision of support to **professional and business groups and independent research institutes** that can play an important role in creating a more enabling environment for accountability.

9.9 **Media:** Media organisations can play an important role in disseminating the information that provides the basis for accountability and dialogue about a wide range of social and political issues, including the effectiveness with which aid and other public resources are used. Media organisations can shine a spotlight on, and help reduce levels of corruption.

9.10 In many contexts the priority for donors is to support the **professionalization of the media** through training and capacity building. In others, including in many budget support countries, the **independence of the media** may be under threat. In these circumstances, DFID and other donors can play an important role in enabling the media to act in the public interest. DFID has supported several large-scale media initiatives that have delivered important results in terms of enhanced citizens' perceptions of the accountability environment.

#### **Box 6: Supporting media organisations**

##### **Nepal – Encouraging peace and good governance through the media**

In Nepal, DFID – working with the BBC World Service Trust – is providing £400,000 to support the production of a programme called Common Questions – *Sajha Sawal*. The programme, initially funded by UNDP, gives ordinary voters the opportunity to raise concerns directly with policy-makers in a 'Question Time' format. It airs on TV and radio and has asked questions of the most senior members of government and civil society including the current former Prime Ministers. A third of the adult population has watched or listened to the programme, and one-third of cabinet-level politicians or their counterparts have taken part in the programme.

9.11 **New technologies:** The internet, mobile phones and other new technologies can potentially play an important role in enhancing accountability in different contexts. Easy, affordable channels for moving information can help people find out what is due to them from power-holders, express their opinions to decision-makers and demand better performance.

9.12 There is debate about the extent to which new technologies can drive changes in the governance environment, and a need for more evidence.<sup>13</sup> However, there are already some successful examples of new technologies such as “**crowd sourcing**”, which involves extracting information from large numbers of people to help in planning where resources go and in monitoring service delivery (see Box 7 for an example from India). Crowd-sourcing can contribute to making decision-making more responsive to poor people’s priorities. The *Ushahidi* web-site set up in 2008 after the Kenyan elections to map incidents of violence submitted via the internet and mobile phones is now being replicated around a range of different issues in various contexts.

9.13 Only a small number of DFID programmes have experience of using new technologies for accountability. But this is an area ripe for further **experimentation and innovation** with a view to building evidence and experience around what works. Particular care should be taken to ensure that work in this area does not reinforce existing patterns of exclusion. It therefore important to focus on helping to tackle inequalities in access to new technologies, for example on women’s access to mobile phones, which in 2009/10 was 23% less than men in Africa, and 37% less in Asia.<sup>14</sup>

#### **Box 7: New technologies**

##### **India – Using technology to monitor and enhance service delivery**

As part of governance reform programme in Bihar, DFID India has supported an initiative to monitor service delivery using mobile phones. Frontline-level officers report daily on physical and financial progress of key services using text messages, which are uploaded to an on-line database. This information is used to inform decisions and will – particularly when it is triangulated with data from citizens’ report cards – help citizens to demand accountability. The programme has contributed to significant improvements in service delivery in relation to pensions, the National Rural Employment Guarantee Scheme, housing, education, food security and health.

9.14 **Coalitions for Change:** Initiatives support the emergence of coalitions for change working around particular issues can be particularly valuable. In a number of countries, programmes have been developed to support a range of accountability institutions and processes across the political system. This is borne of a growing recognition that if accountability is to be strengthened around the budget process, for example, it is not sufficient to focus on one

<sup>13</sup> Evidence of impact of new technologies is currently extremely limited and mainly case study based. See for example, GSDRC Helpdesk Query: *New ICTs for Development* (June 2010); See also Fung, A et al. (2010): *New Technologies for Transparency and Accountability: An examination of several experiences from Middle Income and Developing Countries*

<sup>14</sup> *Women And Mobile: A Global Opportunity*, [GSMA Development Fund](#) (2010)

particular organisation or target group. Promoting improvements across several different spheres (e.g. parliament, civil society and the media) can strengthen the linkages between them and enable people to hold their governments to account.

#### **Box 8: Cultivating coalitions and deepening democracy**

##### **Tanzania – Deepening Democracy**

The Deepening Democracy programme aimed to support the process of democratisation through legal reforms, capacity building and enhancing the understanding and respect for democratic principles and values. From 2007 to 2010, DFID contributed nearly £1 million pounds to a UNDP-managed basket fund. The programme has worked with a range of stakeholders including Election Management Bodies, Parliament, the House of Representatives and political parties. The Deepening Democracy programme has helped to raise the profile of MPs and Parliament, supported the elections of 2010 and enhanced inter-party dialogue.

##### **Malawi – Tikambirane, “Let’s talk”**

Between 2003 and 2010 Tikambirane worked to enhance the voice and influence of citizens to achieve more accountable and responsive governance. DFID contributed £10.5m, working alongside other donors including UNDP, USAID and CIDA. The programme has helped to improve budget debates and enhanced collaboration amongst parliament, the media and civil society on budget issues, contributed to peaceful elections, increased public awareness on gender issues, and contributed to a 22% increase in women’s representation in parliament.

## **10. Conclusions**

10.1 Domestic accountability for the use of public resources can – as part of a wider agenda on empowerment and accountability – play a key role in driving performance and delivering better development results. The 5% commitment signals DFID’s determination to strengthen domestic accountability, enabling people to hold their governments to account for the use of public resources, including aid.

10.2 This note has provided information about what DFID Country Offices need to do to meet, monitor and report on the commitment. While this note sets out some illustrative examples of the sorts of support that DFID Country Offices might provide, it is important that decisions about what support to provide are made at the country level and informed by emerging evidence and analysis. Country Offices are also advised to make good use of the online learning community for empowerment and accountability and to refer to the new Budget Support guidance.

10.3 **Further information** is available via Stefan Kossoff or Lu Ecclestone (Governance and Fragile States Department), Paolo Craviolatti (Budget Support Team) and Kenny Osborne (FCPD).