Organisation de Coopération et de Développement Économiques
Organisation for Economic Co-operation and Development

29-Jun-2012

_____

English - Or. English

DEVELOPMENT CO-OPERATION DIRECTORATE
DEVELOPMENT ASSISTANCE COMMITTEE

DRAFT ORIENTATIONS AND PRINCIPLES ON DEVELOPMENT CO-OPERATION, ACCOUNTABILITY AND DEMOCRATIC GOVERNANCE

DAC Meeting, 12 July 2012

This document is submitted for APPROVAL under Item 8 of the Draft Annotated DAC Agenda [DCD/DAC/A(2012)9].

This document distils the findings and conclusions of a two-year process engaging a range of leading donors, partner countries and experts working on support to accountability. Mindful of their responsibility to act in ways that strengthen, rather than undermine, domestic accountability, the donors in the OECD DAC GOVNET launched work to take stock of experience, survey emerging trends, assess leading international and academic thinking and literature, and identify promising leads and tips. In-depth country case-studies were carried out in Mali, Mozambique, Peru and Uganda to better understand the accountability system(s) and, in particular, to assess donor support for two essential features of state-citizen relations: budgeting and service delivery in sectors. A series of high-level workshops were held in parallel to help identify emerging good practice for supporting elections, parliaments, political parties and media. Conclusions push donors and partners to work together more and ensure that support to democratic accountability builds on political economy analysis that informs 'best fit' practice in a move away from importing external models. System-wide approaches to support accountability may be more effective and balanced: piloting of the orientations and principles will provide learning on this over time.

Contact: Lisa Williams - Tel: +33 (0) 1 45 24 18 19 - E-mail: Lisa.williams@oecd.org
Kjetil Hansen- Tel: +33 (0) 1 45 24 90 21- E-mail: Kjetil.hansen@oecd.org

DRAFT ORIENTATIONS AND PRINCIPLES

ON DEVELOPMENT CO-OPERATION, ACCOUNTABILITY AND DEMOCRATIC GOVERNANCE

TABLE OF CONTENTS

ANNEX.

Boxes

EXECUTIVE SUMMARY

I. Towards more effective development co-operation supporting domestic accountability

1. Achieving development progress requires effective governance and institutions that can deliver. Evidence suggests that institutions that are held to account for results by citizens or other state institutions perform better in delivering services. Efforts to improve the technical aspects of governance in developing countries – for example, improving public financial management, addressing corruption, strengthening the rule of law and building civil service capacity – have been a hallmark of development assistance for decades. Most efforts have focused on strengthening intra-governmental, horizontal governance capacities and institutions. As the governance agenda has matured, its scope has broadened to encompass its more political aspects. Governments and their development partners are increasingly focusing on the vertical, state-citizen dimension of governance, particularly accountability which concerns the relationship between the state and society at large in providing -- and demanding – better governance. Parliaments, elections, political parties, the media and civil society – all these institutions and processes shape and animate the relationship between the state and society. As core elements of the local enabling environment for domestic accountability, they can play a lead role in efforts to establish a more legitimate state that, by being accountable to society, is both more responsive and more responsible.

2. The diversity and volume of development assistance supporting domestic accountability has grown over the past decade. But progress in achieving results on the ground has proved elusive. Capacity has been strengthened – albeit unevenly. Information about government policy and actions is more readily available --- but people are not yet sufficiently empowered or capable of acting on it in many countries. Citizen voice and engagement has been solicited and, at times, has precipitated change -- but it is still too often neglected, dispersed, or lost. Reforms have been agreed but not always substantively implemented -- and transformational change remains the exception.

3. Emerging research suggests that donors have tended to replicate accountability models that have worked in their home country – but which may be inappropriate in developing country settings. They have often focused on strengthening specific institutions – but as a result they've contributed to capacity imbalances and overlooked the potential for mobilising broad-based local constituencies for reform. Donors continue to struggle with the challenges posed by working in fluid political contexts that shift in line with prevailing power dynamics, mutating affiliations, diverging incentives and the influence of informal institutions, norms and customs.

Purpose, audience and structure

4. Mindful of their responsibility to act in ways that strengthen, rather than undermine, domestic accountability, the OECD DAC Governance Network launched a multi-stakeholder process to work with experts in developing country governments and institutions of accountability to gather evidence and take stock of experience, survey emerging trends, and identify promising orientations. Four in-depth country case-studies were carried out – in Mali, Mozambique, Peru and Uganda – to better understand the accountability system(s) in these countries and, in particular, to assess donor support for two essential features of state/citizen relations: budgeting and service delivery. This work was supplemented by a series of high-level workshops to identify emerging good practice for supporting elections, parliaments, political parties and the media, and by a comprehensive assessment of leading international thinking and experience in promoting democratic accountability as set out in relevant academic and research literature.

5.   This document provides emerging orientations on ways to support accountability for policymakers and programme managers working on development – whether they handle political or democratic governance support, want to look at governance and service delivery in specific sectors, work on public financial management/budgeting or focus more on aid delivery questions. It was developed by and for donors, partners from developing country accountability institutions and developing country government counterparts. The document attempts to synthesize a process which has been two-fold.

- On the one hand, **Part I** presents insights and orientations from the evidence gathered through country-level case work and consultations and from relevant literature about how to avoid undermining domestic accountability and be more strategic in supporting accountability systems.

- On the other, **Part II** provides some compdem comguppf61 Tf3a somoped bu6(e)-i depa6(son)10. thh

activity. A growing body of analytical research and country-level experience highlights the importance of politically informed, "smarter" aid approaches.

- An accurate readout of the political context continuously shaping accountability institutions and processes is a critical first step – necessary "due diligence" in designing development co-operation activities. Forms of political economy analysis, which seek to understand the incentives, power dynamics and relationships between different stakeholders and groups, are indispensible for understanding how domestic accountability systems operate in practice and the relative capacities, spheres of influence and motivations of the different actors and institutions it involves.

- The emphasis should be on taking context as the starting point, and developing programming options which represent the "best fit" rather than standardised "best practice". Build on institutions and processes that are already up and running effectively. Adopt a long-term view in strategic planning: support for developing domestic accountability systems, actors and processes requires sustained investment over many years.

Box 1. Case study insights about domestic accountability support

Peru Case: Improving Accountability Support in Budgeting and Child Nutrition

This study examined the role of donors in promoting domestic accountability through the budget cycle and the health sector. Peru benefits from having strong laws and mechanisms in place to support accountability, including its Transparency and Access to Information (TAI) laws, participatory spaces, and a strong Defensoría (Ombudsperson). But these institutions have had limited success in practice, particularly at the local level. The majority of donor support focuses on activities such as helping public agencies publish more information on their websites (and thus comply with the TAI), but do little to combat local-level realities. Donors have had success in using reporting and procurement mechanisms to generate a culture of accountability and in supporting domestic reform movements and reform-minded state actors. Future challenges include respecting the decentralization process in the selection of partners and working through country systems.

Uganda Case: Improving Accountability Support in Budget Processes and Service Delivery in the Health Sector

This study explored aid and accountability issues in the health sector and budget process. Findings suggest that accountability does work as a system around budget processes and service delivery. Unless attention is paid to the way in which the system functions as a whole, support targeting a single actor can create an imbalance in that system. For both budget processes and in relation to the health sector, significant improvements were identified in terms of capacities and capabilities of some key actors – including the Office of the Auditor General (OAG), the Ministry of Finance, Planning and Economic Development (MoFPED), the Public Accounts Committee in Parliament, and with CSOs. The research suggests that donor support to accountability has tended to work in isolation. Adopting a systems-approach does not, however, necessarily mean providing support in a single, unified programme but rather ensuring a systems-wide analysis and then supporting links between actors and areas of support where feasible. Transparency and access to information continue to lie at the heart of issues of aid and accountability.

Mali Case: Improving Accountability Support in Budgeting, Decentralization and Education

This study focused primarily on aid and accountability in the budget cycle, decentralization process and delivery of education services. It is important to note that it was completed through a local consultation in February 2012, just prior to the crisis in Mali and does not therefore take account of the current situation in detail. In Mali, during the time of the study it was found that, for the most part, many opportunities for linking up accountability institutions were not yet fully harnessed. Donors have tended to provide targeted support to specific institutions rather than grouping accountability actors and strengthening what could be called "communities" of accountability. There was a lack of understanding about what accountability meant, and the different roles and responsibilities of state and non-state actors in the accountability landscape. As a result, the impact chain was unclear and monitoring of accountability difficult to grasp. This has been particularly poignant in Mali, where informal accountability actors and traditional norms are particularly strong and silently shape power structures and behaviours.

> **_Mozambique Case: Improving Accountability Support in Budget Processes and Health_**
>
> This research was dedicated to accountability issues in the budget cycle and health sector. Like many countries with a high dependence on foreign aid, there are concerns that the government's accountability to its donors trumps its responsibility to domestic stakeholders. Trust, political pluralism and inclusivity are gradually eroding and past elections have given rise to violent conflict. In addition, the distinction between state and party is not always clear and raises perceptions of political discrimination within the civil service. Donors need to recognize the impact of GBS on the country's political economy and work towards transforming the aid dialogue into a unique platform to bring civil society and parliamentarians to challenge policies and hold government to account.
>
> **Note:** Please see the Annex for more detailed recommendations on the case study and consultation processes. Full copies of the case studies are available in room documents.

B. Adopting a "systems" approach for planning and programming work

9. Domestic accountability works as a system, bringing together a wide range of actors and institutions alongside information flows and patterns of influence and incentives. A more informed, fuller understanding of the accountability system is essential in order to provide balanced, targeted support to improve institutional capacity and processes, while respecting the inherent dynamics of the system. Adopting a "systems approach" can facilitate moving away from supply-driven, top-down forms of assistance, often targeted only at formal accountability institutions. Instead, donor engagement can accept different starting points in each country and do much more to work 'with the grain' of local institutions and reformers, rather than importing external models.

What to do:

- Look at accountability systems as a whole to facilitate the use of political economy analysis and perspectives, including analysis of relevant actors and institutions (see above) and the reform space available for accountability. The feasibility and requirements of a range of programming options can then be assessed.

- Facilitate a better understanding of the accountability dimensions implicit in broader aid support for governance writ large by taking a systems approach. This will ensure that all governance-related aid interventions – both for public administrative functions such as financial management and procurement as well as for building more political institutions such as parliaments and political parties – take account of and address the implications of such support on accountability actors and functions. The links and impacts that all governance-related aid interventions have on accountability need to be leveraged. For example, more work is needed to ensure that ministries and government officials are more accountable to parliament and citizens, and that state institutions are accountable to their hierarchies or internal control functions.

- Ensure that support to specific actors will be "balanced" through a wider system approach (thus avoiding chronic and growing gaps in capacity and the scope for "capture" by dominant accountability actors) and more inclusive (e.g. reaching oft-overlooked actors such as community-based groups, social movements, religious groups, trade unions, professional associations, etc).

- Recognize that a systems-wide approach can help to reveal particularly weak links and potential areas of stronger leverage by: i) identifying where capacity gaps, technological innovations and "real-time" opportunities exist to promote accountability; and ii) providing a fuller understanding of the relationship between transparency, access to information, capacity constraints and accountability. The following examples are illustrative:

    i. Twaweza, a web-based accountability platform operating in East Africa, makes use of both new and old technologies to expand citizens' ability to access government information and hold leaders accountable. It shows how social media and mobile technologies are increasingly shaping how people interact with politics and accountability around the world, and suggests the important role to be played by new technologies and mobile applications – which are changing the context for accountability completely and constantly.

    ii. In Peru, far-reaching laws promoting access to public budget information have not yet fostered a functional oversight role by civil society because people cannot understand and act on the type of information provided.

- Take a systems approach which should facilitate assistance strategies that build relationships, bring together coalitions and support dynamic change processes. This will require different ways of working, including brokering, facilitating and supporting reform processes.

C. Addressing accountability deficits through a sectoral/issue-based approach

10. Focus on substantive accountability problems or issues to analyse and design support. Start with the core accountability problem to be addressed and then develop creative approaches for supporting appropriate, "local" solutions to domestic accountability gaps and deficits. Identify key actors who are pivotal to these solutions – rather than defaulting to support for formal institutions which may not have adequate standing or influence.

What to do:

- Develop a systems approach, anchor support to accountability in specific sectors or issues (from the use of natural resources to budgeting to service delivery). For example, in Peru a fruitful approach has been to focus on health issues as an entry point for strengthening political parties. This has strengthened the capacity of local political parties to generate and analyse health information and to identify and prioritise their reform agendas in this sector. It has also created space for other advocacy organisations to put forward policy proposals.

- Again, start with the local context and then focus on building support around substantive accountability functions or needs. For example, donor support was provided in Mali to establish an audit institution based on an Anglo-Saxon model of public financial management – despite the existence of a national accounts office, the "Cour des Comptes", which already had a legal mandate for carrying out this work. This resulted in institutions with overlapping mandates and unnecessary complexity in the local accountability system. The "smarter aid" approach here would have been to focus on supporting the audit function and work through pre-existing institutions – or to identify how a new institution could complement the accountability functions of the existing ones.

D. "Building bridges" across accountability coalitions, networks and alliances

11. The development assistance community has tended to focus capacity-building and technical assistance on individual actors or institutions. This now needs to be rebalanced with support to facilitate linkages and strengthen relationships across different actors or processes engaged in specific accountability functions: this is often crucial for achieving lasting change or greater impact. There's also a need to more systematically "join up" support to strengthen capacity to satisfy accountability needs (supply) with support that promotes domestic advocacy for accountability (demand). This represents a significant shift for the development assistance community towards working with wider accountability networks or ecosystems.

What to do:

- Where appropriate, provide support to 'broad-based alliances' which bring together a range of actors with common interests in reform (and which may cross public-private divides). Establish clearly what the local legal context allows in terms of accountability -- and then help these actors develop the skills, networks and agreements to work together to address their target issues. It will be important to provide support in ways that foster co-ordination and collaboration within specific communities (e.g. discouraging competition for funding among civil society organisation of CSOs) in order to enhance their individual and collective advocacy efforts. In Mali, for example, local health clinic associations (composed of local community representatives and health professionals) have formed a national federation which represents their concerns in national policy dialogues with government and donors. By forming alliances at the national and local levels, the health associations are able to voice community concerns in national policy discussions and to channel information from the "centre" to their local communities.

- Carefully assess causal factors and essential linkages that support reform. Donor support can tend to overestimate the ability of one set of actors (such as CSOs) to affect change on their own. For example, significant support has been directed in many developing countries to CSOs engaged in budget monitoring for service delivery -- but this is rarely done in ways which facilitate connections to other processes, such as formal audit processes, parliamentary investigations, or political parties' policy development. Without this, these CSOs can be constrained in their ability to gain traction and realise significant change.

- Design support strategies that simultaneously address the discrete needs of different actors in a specific accountability system to catalyse change. For example, political party support connects naturally to other forms of assistance related to strengthening democratic processes -- including work on legislatures, elections, civic advocacy, and local government performance.

- Clearly identify intra-dependencies and feedback loops among accountability actors that could be supported in the design phase. Circular relationships and mutual accountability processes between various actors establish the framework for systemic support that aligns both the supply and demand sides of accountability.

E. Managing risk and achieving results: two sides of the same coin

12. At its core, accountability concerns the relationship between the rulers and the ruled – and as such it is fundamentally about politics and power. Development assistance can facilitate information and learning and create "space" for bringing like-minded actors together. But – given that it can only be an accessory to authentic, locally-owned initiatives for change and reform -- there are limits to the results assistance alone can achieve. More analysis and reflection is needed in order to understand a) what can be achieved and b) how to manage risks in promoting domestic accountability.

What to do:

- Be clear about the need to engage with political issues and actors – not directly, but to strengthen the enabling environment so that genuine national ownership for domestic accountability takes root and flourishes. Accept that the progress will likely be non-linear and erratic. Draw on political economy insights to ensure greater realism about i) the reform space for accountability and ii) the timeframes involved in realising transformational institutional reform.

- Make more concerted efforts to better understand how to achieve results, which will help in identifying and managing risks, and in measuring the impact of accountability support. Greater clarity on theories of change and assumptions about how reform can happen is particularly important. Incorporating political economy insights into accountability programming should help ensure that programme objectives are more realistic -- and therefore more amenable to rigorous results measurement. A key first step will be to identify and monitor risks (including political risks) and to develop forward-looking tools to help anticipate future risks. Building in greater risk assessment (and using political economy tools where appropriate) throughout programme delivery will also be key.

- Develop more effective results frameworks to enable development agencies to i) identify realistic programme objectives at the outset, ii) correctly gauge and manage risks, and iii) understand better what works and why.

F. *Ensuring development assistance doesn't undermine domestic accountability*

13. In the bigger picture, development co-operation can inadvertently undermine domestic accountability processes. Because aid is an additional, exogenous resource made available for government spending, it can short-circuit the development of more legitimate, tax-based social and fiscal contracts between citizens and the state – and diminish the incentives political leaders have to respond to the needs and demands of their constituents. Aid can also encourage stronger accountability to donors than to citizens, particularly where aid finances represent a large share of public expenditure: in Mozambique, for example, some consider that the donor community's increasing role in sectoral working groups and budget support joint reviews is usurping the participation of parliamentarians and civil society in domestic accountability. On a more micro level, development assistance that is not delivered in line with long-standing aid effectiveness principles (e.g. transparently, using country systems, and on a co-ordinated basis with other donors) can also obstruct or diminish domestic accountability processes and capabilities. In sum, donors must change their practices -- and lead the reform effort by example.

What to do:

- Be aware of the overall magnitude of aid in a given country context, and attentive to dynamics that may subvert or undermine accountability relationships between governments and their citizens.

- Adhere to basic Paris Principles on Aid Effectiveness. Domestic accountability support is intrinsically complex because it involves multiple actors with different remits, capacities, and agendas. It's therefore all the more important to operate in an "aid effectiveness" mode based on longstanding principles and approaches such as:

   i.   Improving transparency about the volume and purpose of aid in order to ensure country-level knowledge about what's been financed – and more effective budget oversight processes by national accountability actors;

   ii.   Ensuring that development assistance is fully integrated into public budget systems, where appropriate;

   iii.   Taking a "portfolio" approach to aid programming in specific countries, combining a range of different aid modalities – project aid, sector aid, budget support and technical assistance – to address different yet complementary domestic accountability needs and priorities while ensuring there are links across these instruments regarding accountability processes and actors to ensure synergies and increase leverage; and

   iv.   Exploring the scope for using especially promising aid instruments (e.g. sector support, basket funding) that improve donor co-ordination and collaboration, including shared analytical work, more balanced and co-ordinated funding for the accountability system as a whole, and a rational division of labour across the local development assistance community.

III. Work on understanding and improving domestic accountability support is only just beginning

14. Ground-breaking transformation processes such as the 2011 Arab Spring attest to the important role domestic accountability institutions and processes play in nation-building and socio-political development. In responding to these trends, the development assistance community will need to sharpen and deepen its understanding of how it can best facilitate change and reform in line with societal demands and government capacity in the developing world. More research, analysis and sharing of field-level experience is needed, along with reflection and communication to wider audiences. The GOVNET stock-taking exercise has highlighted promising steps and approaches to take[1]. Further work will be needed in future to take stock of experience in implementing its findings – and build on additional evidence and analysis.

---

[1] Forthcoming analytical work on civil society organisations and sanctions regimes (both judicial and administrative) will complete the picture of GOVNET work on democratic accountability.

PART I

ORIENTATIONS ON DEVELOPMENT CO-OPERATION, ACCOUNTABILITY AND

DEMOCRATIC GOVERNANCE

institutions as they are rather than as ideal types, are broadly accepted. But realising them in policy and practice remains a challenge. This note looks at strategies for achieving more politically feasible and realistic approaches, including the implications for risk analysis and management.

- Secondly, it calls for a **focus on substantive functions, not just the form, of domestic accountability**. If support aims at strengthening accountability for budget processes, for example, it should start with the core accountability problem or function to be addressed and then develop creative approaches for how to do this and who to work with – rather than defaulting to support for formal institutions which may lack substantive influence. This has implications for aid modalities overall and their interaction with domestic accountability too.

- Thirdly, **it may be particularly useful to move towards an "accountability systems" approach,** rooted in these core accountability functions. This emphasises the need to move beyond a narrow focus on supply-side versus demand-side accountability support, or a focus only on formal institutions, and instead to look more closely at the linkages between actors and how these can be strengthened over time.

20. This will require some step changes in donor approaches, suggesting the need for different roles, new forms of assistance, adjustments to funding modalities and new approaches to risk and results management. It will involve wholesale shifts in behaviour by parts of the development assistance community, moving beyond conventional comfort zones and reflexes and towards new approaches to risk-taking and political engagement. This poses challenges which need to be understood and managed – but the risks of not changing donor support may be greater.

21. Some agencies and organisations are already beginning to move in this direction. But changing policy and practice remains difficult, and needs to proceed cautiously where the evidence base remains patchy.

22. This note distils the findings of "work in progress" by the aid and research communities to assess donor policy and practice in promoting domestic accountability. It is aimed at a range of practitioners, from those designing and implementing accountability programmes to those for whom accountability issues form a small part of their overall development assistance programming. It is also targeted at a wider interested audience, including civil society actors and citizens around the world who interact with donors working on accountability support.

23. It represents a collective effort in the OECD-DAC Governance Network (GOVNET) in collaboration with partners in developing country accountability institutions – such as parliaments, civil society organisations, political parties, and the media – to explore citizen-state relations and to better understand the impact of aid on domestic accountability.

24. It provides insights on how to take more informed, strategic approaches to support accountability systems (with a particular focus on accountability for budget processes and service delivery). It also identifies key principles for supporting specific institutions that play critical roles in democratic governance, including elections, parliaments, the media, and political parties.[5] It is based on country case studies in Mali, Mozambique, Peru and Uganda, a survey of leading analytical thinking and donor innovations in this field since mid-2009, and the findings of a series of special high-level international dialogues on how to best support domestic accountability institutions and processes.

25. At the same time, this orientations note implicitly acknowledges that there is still much to learn about "good practice" in supporting domestic accountability. There is not much hard evidence about "what

---

[5] GOVNET good practice notes for supporting civil society institutions and judicial systems is forthcoming.

works and what doesn't work' on which to base definitive conclusions. Accordingly, this text does not provide the complete recipe for success – it is not a guidance note or a "how to" instruction manual, but rather reflects on ongoing research and collective experience to offer some preliminary, yet promising, findings. It seeks to acquaint the reader with what a changed approach to domestic accountability support might look like, with an introduction to some of the conceptual underpinnings -- and suggestions regarding specific implications for programming and implementation.

26. Part 1 begins with a brief overview of domestic accountability and related development assistance support, including a definition of the concept, historical trends and functional links between aid, domestic accountability and the wider governance landscape. It then describes the important role that politics, incentives and informal institutions play in delivering functional accountability – and the concomitant need to integrate these factors into relevant development assistance efforts. The next section sets out the scope and method for moving towards a systems-wide approach to domestic accountability -- a particularly promising finding from the GOVNET case studies which is reinforced by emerging international research. The note then explores the "big picture" implications of aid on domestic accountability processes and institutions, and concludes with some core recommendations for the future. Part 2 distils specific principles for targeted, institution-specific support to key components of domestic accountability systems – electoral systems, parliamentary support, political party development and media assistance. The Annex provides short summaries of the findings of case studies in Mali, Mozambique, Peru and Uganda. The full case studies are available on the OECD website (www.oecd.org/dac/governance).

1.2 What is the role of aid in domestic accountability?

27. At its core, accountability concerns the relationship between the rulers and the ruled (Schedler and Diamond, 1999). As such, it is fundamentally about politics and power (Newell and Wheeler, 2006).

28. It involves three key concepts: transparency, answerability and enforceability. Transparency relates to citizens having access to information about commitments that the state has made and whether it has met them. Answerability means that citizens are able to demand that the state provide justification for its actions. Enforceability means that citizens are able to sanction the state if it fails to meet certain standards (Hudson and GOVNET 2009). Domestic accountability has two dimensions - a horizontal and a vertical one. The horizontal dimension refers to the system of checks and balances among the executive, the legislative and the judicial branches. Vertical accountability entails the relationships between citizens and decision-makers, including the ability of citizens to influence political decision-making processes.

29. Domestic accountability therefore relates to the relationship between the state and its citizens, on whose behalf a state – particularly a state with aspirations of legitimacy – is expected to rule (Hudson and GOVNET 2009). This does not imply that these relationships are ever perfect -- working to achieve domestic accountability and state legitimacy is an ongoing challenge for all countries (Ibid.). But how citizens relate to and perceive the state remains a crucial building block of state formation and development.

30. There is a growing body of knowledge on issues of accountability and citizen-state relations in developing countries. In part, this stems from longstanding debate and interest in processes of democratisation and commitments to supporting governments to be more responsive to their citizens. In more recent years, there has been growing recognition of the role that governance and accountability plays in relation to development processes and – in some cases – development progress. Three core areas where analytical inquiry and international discourse have focused in this regard include:

- Transparency -- long recognised as important both for efficient policy-making and implementation (for example, ensuring accurate and verifiable budgeting) and for wider probity and legitimacy benefits;

- Broad-based participation -- strengthening the political involvement of citizens in decision-making processes and in aspects of legitimacy and control, and

- Provision and delivery of key public goods and services -- improving the access and quality of public services to all citizens (World Bank 2004).

31. These trends have contributed to an ever-growing consensus about the importance of strengthening domestic accountability processes in developing countries. This is a broad category of aid that includes support to accountability institutions (such as parliaments, civil society organisations, audit institutions, etc.) as well as to accountability processes and mechanisms (such as elections, participatory budgeting, etc.). It is generally categorised as either i) support for the 'supply side' of accountability (support for state institutions such as audit institutions and parliaments -- as well as broader governance reforms, for example to public procurement or financial management) or ii) support for the 'demand side' (i.e. to build the demand from citizens for more transparent, accountable government, often through strengthening civil society organisations or the media).

32. Despite this growing interest, there is still a limited evidence base for understanding how development assistance can be used to support domestic accountability institutions and processes. In light of these limitations, this orientations note draws on four country case studies -- for Mali, Mozambique, Peru and Uganda -- commissioned in 2010-2011 (see Annex). The case studies applied a schematic model permitting a systematic exploration of the real-world complexities of aid, domestic accountability and governance in each country. This model, depicted in Figure 1, describes the key factors to be considered in understanding the relationship between aid and domestic accountability (see Hudson and GOVNET 2009).
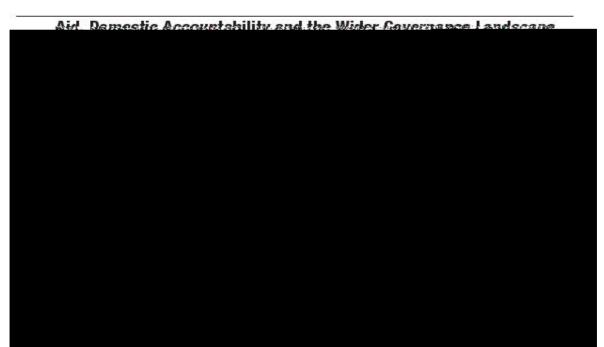
Figure 1.   Aid, domestic accountability and the wider governance landscape

33. The model suggests that while aid can and does shape the scope and capacity for domestic accountability, aid is only part of an accountability picture which is fundamentally shaped by politics, power and incentives – and that these operate across formal and informal spheres of activity.

34. The links and relationships between aid and domestic accountability can be summarised as follows:

- Domestic accountability is about the relationship between the state and its citizens (people) and the extent to which the state is answerable for its actions.

- Domestic accountability is not led by any one actor, but rather brings together a variety of actors and institutions. For example, accountability for the oversight of public resources involves parliamentarians, national audit institutions, ministry of finance officials, and often monitoring by civil society groups and the media – it is not the responsibility of any one institution acting alone.

- Citizen-state relations are embedded in specific contexts, with their own political realities, structures of incentives and configurations of formal and informal power.

- There are many examples where aid has strengthened domestic accountability in positive ways, but aid can also undermine the development of more legitimate and sustainable tax-based social and fiscal contracts between citizens and the state (particularly where it provides an important share of government revenues).

- For a number of issues, there exist global drivers of accountability and governance - for example, regional or international agreements, standards and procedures (such as human rights frameworks or corruption instruments), or the activities of multinational firms whose actions are initiated and controlled, to varying degrees, beyond the borders of the country concerned.

35. Rather than seeing particular accountability actors (for instance, civil society, parliaments, or the media) as the entry point for the case studies, the model above prompted a focus on specific _issues_. This meant exploring the scope and dynamics of domestic accountability systems involving multiple stakeholders, and assessing how these systems worked to demand or deliver accountability in relation to particular issues, such as accountability for budget processes or for service delivery.[6] Thus, the aim was to start from a "problem-solving" approach focused on the core functions of accountability, rather than to examine the roles and capacities of key accountability actors and institutions. Taking this approach helped to situate the analysis of relevant domestic accountability systems in a practical and concrete context -- as opposed to treating it as an abstraction (see Box 2).

36. The GOVNET case study assessments suggest that while there may have been some identifiable progress in terms of strengthened capacity and capabilities of some accountability actors around these issues – such as improvements to national audit institutions or to government transparency – there remain a number of weaknesses, gaps and deficits that were not being addressed. A more informed, fuller understanding of the accountability system in play is essential in order to provide balanced, targeted support to improve institutional capacity and processes while still respecting the inherent dynamics of the system. At the same time, greater clarity is needed regarding the political economy drivers which shape the relationships between and among actors within those systems. These two issues are explored in greater depth in the following sections.

---

[6] The case studies were led by individual GOVNET members, but designed to as participatory as possible in relation to local stakeholders. Where possible, a range of local stakeholders were involved in the selection of entry point issues and findings were validated through consultations and dialogue.

Box 2. The GOVNET country case studies: taking issues as entry points

Budget processes and service delivery were selected as entry points for understanding domestic accountability systems in the case studies focused on Mali, Mozambique, Peru and Uganda. While generalisations across the case studies are challenging, a number of common themes and actors emerged from this approach.

Budget processes can play an important role in strengthening domestic accountability, since citizens' views of the state and its legitimacy are shaped by the ways in which resources are spent, verified and evaluated. Most countries have a formal budget process through which the government creates and approves a budget. In practice it encompasses a cycle which can broken down into four stages: formulation (usually led by the executive); approval (often via parliamentary debate and approval of budget); execution (implementation of policies within the budget, which can involve local government and non-state actors); and oversight (often by national audit institutions and parliaments).

Looking across the case studies, domestic accountability systems around budget processes involved a range of actors, playing a variety of roles at different points in the cycle. They included: the government (political leaders, key ministries such as Ministry of Finance); parliament (often parliamentary committees such as the Public Accounts Committee and the Budget Committee); national audit institutions; civil society organisations (for example conducting budget monitoring); media; and local government. In most of the countries (e.g. Mali, Peru and Uganda), there was a common focus on participatory budgeting processes. Moreover, strong emphasis was placed by donors and governments on improving budget transparency, as shown in an emphasis on comparative ratings surveys such as the Open Budget Index. The budget process has been a key area of focus for donor support to country systems and for reforms to the public sector. For instance, the Public Expenditure and Financial Accountability (PEFA) programme -- widely supported by the donor community – has substantially progressed knowledge and understanding about how to strengthen country Public Financial Management (PFM) systems.

Service delivery plays an important role in shaping citizen-state relations, as citizens come into contact with the state – especially in its local forms – most obviously through their use of services (such as health and education) provided by the state (Hudson/GOVNET 2009, Eldon and Gunby, 2009). In practice, service delivery chains can involve a range of providers and actors both inside and outside of government. The domestic accountability system for service delivery often included: the government (political leadership, key ministries such as Ministries of Finance, as well as relevant line ministries in health, education and so on); parliament (including relevant Committees); service providers (state providers, non-state providers, for-profit providers); CSOs (engaged in service delivery or monitoring), national audit institutions; and user groups or professional associations (e.g. doctors, teachers). Donor support in this area commonly focused on strengthening either the supply side (i.e. state responsiveness to citizen public service needs and state capacity to plan and deliver key services) or the demand side (i.e. strengthening societal demands on the state to improve service delivery).

CHAPTER 2. THE POLITICAL DIMENSION: GETTING TRACTION AND ACHIEVING RESULTS

37. A growing body of analytical research and country-level experience highlights the importance of politically informed, "smarter" aid approaches. Paradoxically, standard donor approaches that rely on "demonstrated" good practice and replicating "success stories" may more often than not be "bad practice". Technocratic solutions are likely to be inappropriate and/or ineffective without a nuanced understanding of the local context and *realpolitik*. The emphasis now should be on taking context as the starting point, and developing programming options which represent the "best fit" rather than standardised "best practice". This is particularly important for support to domestic accountability, which inevitably involves interaction with political actors and processes. However, changing policy and practice remains a challenge. This section looks at some of the options for realising these changes, with a particular focus on embedding political economy analysis in programme design and working to support accountability <u>functions</u> -- not just the particular forms it can take or the institutions it may involve.

2.1 Instruments and approaches for promoting domestic accountability

38. While generalisations across different developing country contexts are difficult, the GOVNET case studies reveal many similarities in terms of the types of accountability support provided, the main actors or institutions targeted for support, and the main activities covered. Table 1 sets out a simplified overview of some of the common methods and approaches used to support domestic accountability across the four country cases – and which typify classic development assistance to this aspect of governance.

Table 1. Examples of common methods and approaches to domestic accountability[7]

Types of support	Targeted actors/institutions	Main activities
Technical assistance	Parliament, national audit institutions, government ministries and agencies	Tailored analysis, use of consultants/external experts as advisers
Capacity development	CSOs, parliament, political parties, national audit institutions	Training, including workshops, action training and Training of Trainers, support for advocacy/campaigning, support for specific activities e.g. budget monitoring or analysis
Transparency and access to information	National audit institutions, CSOs, media	Support to improve reporting and dissemination (e.g. audit reports), support for "watchdog" efforts
Community outreach	CSOs	Community sensitisation, use of plays/songs/campaigns,
Community monitoring	CSOs	Use of citizen scorecards, community monitoring
Policy dialogue	CSOs, political parties, the executive	Support for policy forums/meetings
Institutional support	CSOs, national audit bodies, parliament	Core funding, provision of equipment
Peer ranking	Parliament, state accountability institutions	Score cards, indices
Peer support	Political parties, executive and government agencies	Exchange visits, coaching, twinning arrangements.

---

[7] The case studies focused specifically on issues of budget processes, service delivery and decentralisation: thus, the forms of accountability support discussed below were relevant to those issues only.

39. Support was commonly provided through different types of technical assistance and capacity development initiatives, often to specific actors or institutions such as civil society organisations or national audit institutions. This typically involved training, tailored advice from consultants or external experts, as well as support for specific activities (reporting, campaigning, etc.). In Peru and Uganda, some support was targeted at improving transparency and access to information; in Mali and Mozambique, there was a broader focus on community outreach and mobilisation to improve citizen demand. Institutional support was provided for national audit bodies, parliament and civil society organisations. Recent innovations involve support for policy dialogue, such as civil society forums or political party forums that brought different actors and organisations together, as well as forms of peer ranking, such as the use of score cards or ranking indices to compare accountability performance.

40. In the governance arena, development assistance is typically underpinned by a number of "theories of change" or assumptions about how reform will happen. This was very much in evidence in the GOVNET case studies. Programme implementation necessarily involved a theory about "what might cause change", even though that theory may not have been explicit (Pawson and Tilley 1997). This provided the hypothesis for how, and for whom, a given programme might "work" - thus providing a legitimate basis or rationale for carrying out the planned assistance.

2.2   Coming to terms with the politics of change

41. While the case studies all represented very different contexts, many of the key objectives and theories about how change was to happen -- as a result of donor support -- were quite consistent. For example, common causal chains for support to demand side accountability posited that increasing citizens' voice would make public institutions more responsive to citizen needs or demands and, in turn, make them more accountable. Common approaches to decentralisation assumed it would reduce the space between citizens and decision-makers, enhancing citizens' voice and strengthening accountability relationships between the two groups of actors. Similarly, increased transparency of state decision-making was thought to facilitate greater accountability to citizens.

42. While these "theories of change" seem reasonable, the case studies reveal a continuing focus on technical, rather than political, engagement which did not relate to functional accountability dynamics in these countries. Local donor communities appeared to have had great difficulties in coming to terms with the overlay of politics, power relationships and incentive structures that affected governance and accountability contexts within which their development co-operation approaches and instruments must function and achieve results. This led to programming assumptions which were, at times, far removed from power and political realities on the ground, or which were not able to adequately address the interaction between formal and informal political processes.

43. For example, the majority of support to parliaments has included technical assistance to draft bills, expert analysis, and support to strengthen parliaments' representational, legislative and oversight functions. In general, these generic forms of capacity development or technical assistance have not effectively engaged with the wider political context. At times, they have struggled to link support programmes to the realities of the wider political context or to the informal "rules of the game". In Mali, for instance, support to parliament does little to engage with informal accountability systems or traditions of consensual politics that challenge some of the proscribed roles for parliament in the formal budget process (see Box 3).

Box 3.   Characteristics of consensual politics in Mali

Past experiences of colonialism and dictatorship, combined with ethnic and regional diversities, have contributed to a political culture in Mali which emphasizes decision by consensus. This is reflected in the dominance of "cousinage" relations, in which patterns of political interaction are mediated through reference to familial relations, or the use of so-called 'joking relationships' which allow conflict or tensions to be voiced in humorous rather than confrontational ways. These all potentially challenge models which posit political competition as a part of decision-making (for example as many multi-party systems do). Moreover, this culture of consensus creates strong informal accountability relationships within and between actors which can be overlooked by donors. Few aspects of donor support to parliament in Mali have engaged substantively with these realities.

---

44. Over the past decade, Uganda has benefitted from support for budget monitoring (largely conducted by national CSOs) and for encouraging more participatory planning processes. However, a number of historical legacies and structural constraints undermine current assumptions about how accountability systems operate. For example, the dominance of neo-patrimonial practices in Uganda means that its political system is reliant on the generation and distribution of substantial patronage resources, which flow outward from the centre, but also reach down to local levels (Booth and Golooba-Mutebi 2009: 5). Box 4 sets out some of the key findings from the GOVNET country case study in this respect. In light of these challenges, some have argued that attempts to build accountability mechanisms in Uganda face particular challenges, where they typically make "...over-optimistic and simplistic assumptions about the feasibility and utility of popular participation in the context of a weak state with a history of political oppression and poor service provision" (Golooba-Mutebi 2005:168-169).

Box 4. The realities of citizen participation in Uganda's budget monitoring arrangements

The GOVNET case study identified a number of historical and structural features which limited citizens' substantive participation in planning and oversight of budgets. These included:

- Practices of vote-buying and patronage, which complicated the ability of citizens to hold officials to account – instead, citizens reward politicians (with their votes) in terms of the benefits they can expect to receive (in terms of preferential treatment or access to particular resources)

- Political cultures and histories which reinforce obedience and deference to those in authority (see also Golooba-Mutebi 2005).

- Widespread apathy and cynicism regarding public affairs, particularly the use of public resources.

This meant that budget conferences at district levels, for example, were mere 'rituals' with little substantive space for citizens and civil society groups to contribute or influence planning decisions and little appetite from citizens themselves to engage.

---

45. The need to recognise the wider structural and institutional contexts in which different domestic accountability actors are situated is essential – but not necessarily taken into account by donors. For example, across all of the GOVNET case studies the weakness of political parties (particularly in relation to accountability) was readily evident: they were characterised by poor links to citizens, weakly institutionalised structures, fragmented oppositions and a lack of robust legal and regulatory frameworks. However, "standard approaches" by donors to political party support (where they existed) often focused technical assistance which did little to engage with these deeper, structural challenges.

46. Above and beyond the challenge of tailoring support to political realities, case studies revealed weaknesses implicit in donor "standard operating procedures" and "comfort zones" that often resulted in either potentially dysfunctional or ineffective support:

- Donors tended to provide significant resources to some actors or institutions (CSOs) and relatively smaller amounts to other actors (parliaments, political parties). Such "unbalanced" support tends to further skew disparities in capacity and influence across the wider accountability system. In countries like Uganda and Mali, for example, support to formal CSOs may actually crowd out support to other organisations (including community-based groups, social movements, religious groups, trade unions, professional associations, etc.). This creates accountability systems in which some actors and institutions have growing capacity (such as state accountability institutions including national audit offices, CSOs), while other parts of that system remain chronically weak (such as grassroots organisations, parliamentarians, or judiciaries).

- Similarly, donor support can tend to overestimate the ability of one set of actors (such as CSOs) to affect change on their own. In Uganda, Mali and elsewhere, significant support has been directed to CSOs engaged in budget monitoring for service delivery -- but this is rarely done in ways which facilitate connections to other processes, such as formal audit processes, parliamentary investigations, or political parties' policy development. Without this, these CSOs are constrained in their ability to gain traction and realise significant changes. Moreover, working with particular actors or institutions largely in isolation may in fact reinforce already weak links between institutions. For example, across the GOVNET case studies there was a common lack of sharing of relevant information across different accountability actors. This compromised scrutiny and oversight roles (i.e. audit institutions, parliaments, civil society, the media), undermining the accountability system as a whole.

2.3 Understanding local political economy dynamics

47. Case study findings and independent research highlight the centrality of clearly understanding relevant political processes and dynamics at country level when designing support in the governance field. An accurate readout of the political context underpinning and continuously shaping accountability institutions and processes is a critical first step – necessary "due diligence" in designing development co-operation activities. Forms of political economy analysis, which seek to understand the incentives, power dynamics and relationships between different stakeholders and groups, are indispensible for understanding how domestic accountability systems operate in practice and the relative capacities, power and incentives of the different actors and institutions it involves (see Box 5 below).

48. There is a real need for the donor community to invest more in political economy and governance analysis. A growing number of development agencies recognise the need to develop more politically-informed strategies underpinned by analysis. But translating this priority into changed policy and practice remains a challenge: few donors invest in political economy analyses, and fewer still build their assistance around it. Newer generations of analysis (such as problem-driven political economy approaches) seem to be particularly promising, as they are more rooted in addressing operational challenges and issues.

Box 5. Spotlight on political economy analysis

According to OECD DAC definitions, political economy is "...concerned with the interaction of political and economic processes in a society: the distribution of power and wealth between different groups and individuals, and the processes that create, sustain and transform these relationships over time".

At its core, political economy analysis seeks to understand the power dynamics and incentives affecting key actors. Because the analysis is context-specific, it can identify alternative or emerging options -- and thus help avoid recourse to standard models or blueprints that are more technocratic in approach and aim at 'best practice' solutions which may be ill-suited to local contexts.

Politically-informed approaches to domestic accountability emphasizes more realistic, incremental action grounded in countries' political realities. In particular, they highlight the need to pay close attention to the interaction between formal and informal rules and institutions.

Political economy analysis has been criticised as insufficiently grounded in operational contexts or irrelevant to programming realities. It has also been criticised for focusing on what has not worked in the past, rather than suggesting ways in which political analysis can be used moving forward.

In recent years, problem-driven forms of political economy analysis have been developed to address these critiques. As suggested by the name, problem-driven analysis begins with the identification of a particular problem, opportunity or vulnerability (often arising from specific operational challenges). This process narrows the scope of the analysis, drilling down to understanding institutional arrangements that are most relevant and how they influence the particular problem identified. Specific and feasible options for reform can then be identified, which either seek to work within existing spaces for reform or which attempt to increase that space. These feasible options for reform are often likely to be "second-best" options, rather than "first-best, textbook" solutions.

(See Fritz et al 2009; Booth and Golooba-Mutebi 2009; Wild and Foresti 2011)

---

49. One of the more promising programmes identified in the GOVNET case studies was the "Deepening Democracy" (DDP) programme in Uganda, a multi-donor basket fund supporting a range of core domestic accountability institutions. Core aspects of its success appear to be i) joint funding and planning/implementation co-ordination through basket fund arrangements and ii) ensuring that programme activities were underpinned by a robust political analysis which was shared among the contributing donors. The programme has also prioritised the use of i) political analysis and research (including Afrobarometer data) to inform implementation and ii) implementation staff with a solid understanding of the power dynamics and challenges for accountability in Uganda, who appeared to have maintained regular contacts with most political parties (Wild and Golooba-Mutebi 2010).

2.4 What are the implications of political economy approaches for donors?

50. Adapting development assistance policies and practices to the requisites implicit in governance support calls for careful assessment of local conditions and politics, an informed approach to risk management, and a willingness to stay the course. Adopting political economy insights will require much greater realism, both about the reform space for accountability in each country and the longer timeframes involved in realising transformational institutional reform (World Bank 2011).

51. Because change happens slowly, support which was considered to be effective was often based on multi-year commitments. The Mali and Uganda case studies highlighted the importance of funding relationships lasting up to 10 years which were able to build strong relationships between local partners and donors. The PACT programme in Mali (see Box 10), for example, is a 12-year initiative that has accompanied the country's decentralisation process. The PACT operates at both local and national levels,

helping to build multi-stakeholder governance mechanisms through local councils and to improve the decentralisation framework and procedures. Since its launch in 2002 it has helped the authorities to develop and test new tools for accountability, transparency and public participation in local governance, working with diverse stakeholders -- including civil society, traditional chiefs, local authorities, the media and the private sector.

52. A growing number of development agencies and organisations are investing in tools for political economy analysis as well as in politics and governance research. This means there is a growing evidence base – particularly regarding challenges that are inherently political (e.g. the influence of upcoming elections, the degree of political will to enact reforms, the realities of patronage/clientelistic relations, etc.). However, uptake in terms of significant changes in policy and practice and the realisation of more politically-informed approaches remain disappointing (Wild and Foresti 2011).

53. There are many different factors at play here. In part, a lack of uptake reflects weaknesses in the political analysis itself, where findings have not been translated into operationally relevant options that could be taken up by programme staff. Significant steps have been taken to address this, including through the development of more problem-focused, operational research (see Box 4 above).

54. But uptake challenges also reflect the incentives and organisational cultures of development agencies themselves. Ostrom et al (2001), in one of the most in-depth studies of the institutional incentives of a donor agency (in this case SIDA), highlighted how information asymmetries, rapid staff turnover and pressures to disburse can create incentives which mitigate against attempts to foster strong understanding of the context in which aid was delivered. Understanding the political economy of donors themselves is therefore key.

55. Undoubtedly, moves towards more political ways of working can be more 'risky' for donors than purely technical approaches. At the same time, even technical approaches in practice shape political dynamics. Either way donor interventions in this area impact on political realities.   Adopting a more politically informed approach doesn't necessarily mean greater interference in domestic politics -- but it will help to ensure more feasible support, including through the use of more realistic objectives, better monitoring and management of political risks, and the use of appropriate timeframes.

2.5 Strengthening functions, not just forms, of domestic accountability

56. More politically-informed approaches should ensure greater focus on the substantive functions of accountability -- rather than on the particular forms it might take. The GOVNET case studies identified a number of instances where the donor community had tried to "replicate" successful support for domestic accountability from their own respective countries to a developing country context – rather than identifying more appropriate, functional, "local" solutions to accountability gaps and deficits.

57. The Mali case study provides a particularly telling illustration, where support was given to establish an audit institution based on an Anglo-Saxon model of public financial management – despite the existence of a national accounts office in the "Sections des Comptes" already carrying out this work. The "smarter aid" approach here would have been to focus on supporting the audit *function* and to work through pre-existing institutions (see Box 6).

Box 6. Audit functions and donor support in Mali as of 2011

External audit has traditionally been the prerogative of the Section des Comptes in Mali. The Section des Comptes is part of the Supreme Court and relies on a handful of magistrates to i) verify the conformity of the state budget with the law, ii) audit public sector accounts and iii) verify the financial management procedures of administrative agents. The Bureau du Vérificateur Général was established via donor funding in 2002 -- replicating an Anglo-Saxon model -- with an overlapping mandate to audit public financial management procedures. Its existence points to tensions where donors support different models of oversight that result in overlapping mandates and responsibilities.

---

58. There are also broader illustrations of dysfunctional donor support regarding the CSO community – where it mimics CSO support in donor countries themselves -- across the GOVNET studies:

- In Uganda, national-level, urban-based CSOs were found to be competing against one another for donor funding rather than co-operating with one another to support change processes;

- In Mozambique, a survey conducted by the Foundation for Community Development found that CSOs competed for the same donor funds, which discouraged coordination, collaboration and coalition-building – which in turn weakened their individual and collective advocacy work, and

- In Mali, donors recognised a similar shortcoming in their funding mechanisms and launched a multi-donor fund in 2009, the Programme d'Appui aux Organisaions de la Société Civile (PAOSC), designed to target networks and coalitions of CSOs around specific themes, rather than fund individual organisations.

59. The case studies also revealed the limitations inherent in focusing exclusively on formal processes and institutions. In Uganda, Mali and Mozambique, significant investments have been made to strengthen public financial management and promote greater oversight (from both the supply and demand side). However, these "visible" reforms don't always relate well to the reality of how resources are <u>actually</u> allocated, including the extent to which formal budget systems and processes interact with a range of informal processes, power dynamics and incentives which determines the extent to which actors play their proscribed roles. For example, in Uganda – despite very significant improvements to financial systems over the past decade and growing capacity of some key accountability actors -- there remain a number of accountability weaknesses, not least where fiscal and political decentralisation has not been fully implemented and where corruption and patronage remain deeply entrenched. Donor support which relies on international best practice standards can struggle to engage with these starting realities.

60. These examples highlight one of the most important donor "pitfalls" revealed by the GOVNET case studies. Too often donors have provided support for institutions and processes based on models from their own countries, rather than support which starts with the context and focuses on building up substantive accountability functions (see Pritchett et al 2010). The result has been a proliferation of countries with all the trappings of domestic accountability -- but without most of its functionalities. In Mali, for example, government and donors assumed that new local governance arrangements set up in the decentralisation process would take hold. However, citizens lacked a basic awareness and understanding of their role e.g. participating in communal council meetings, voicing budget priorities and using public information. As well, local governments often failed to understand their duty to consult citizens and how to do so. In Peru, laws promoting access to public budget information have not yet fostered a functional oversight role by civil society because people cannot understand and act on the type of information provided. Authorities in both countries are learning that all actors need more guidance and support to learn how to implement new local governance arrangements – and that building these new relationships and capacities and developing common visions takes time.

61. In a larger sense, efforts to replicate or transpose "foreign" accountability institutions or process can perversely undermine local ownership. As the 2011 World Development Report argues, "Institutional legitimacy is key to stability". Citizens themselves need to determine how legitimate they see their institutions, and what forms of accountability they prefer. Any understanding of accountability functions therefore needs to be grounded in what is locally appropriate and seen as genuine. Again, this reinforces the need to move away from standardised models towards approaches which provide the "best fit" with the context.

62. Moreover, donors need to remain sensitive to the interests of different formal and informal stakeholders within accountability systems in order to prevent unbalanced support, dominance of certain social groups and the reproduction of social hierarchies and inequalities. Otherwise accountability systems can run the risk of being hijacked by dominant social groups.

63. A more systems-focused approach, set out in the next section, is a very promising approach for addressing specific accountability problems or functions.

CHAPTER 3. A SYSTEMS APPROACH TO DOMESTIC ACCOUNTABILITY

64. Domestic accountability works as a system, bringing together a wide range of actors and institutions alongside information flows and patterns of influence and incentives. This section sets out what an accountability systems approach might look like and the implications for development agencies' policies and practices.

65. Many providers of assistance to domestic accountability are likely to continue to channel separate funding lines to particular groups, organisations and institutions of accountability. Where this is the case, lessons should be taken on board to ensure more effective practice. As a first step, specific sets of principles for supporting parliaments, political parties, the media and electoral processes are attached in Annex I. They provide a guide for how to achieve more effective, and more politically aware, programming in these areas. These principles make clear that the design of support to any of these organisations or processes must i) start with an assessment of the wider system or context and ii) take care to consider the implications that support for one actor might have on other actors or institutions within that system.

66. Conventional modes of accountability support, however, often do not adequately capture the extent to which domestic accountability is dynamic and functions as a system. Adopting a "systems approach" can facilitate moving away from supply-driven, top-down forms of assistance, often targeted only at formal accountability institutions. Instead, donor engagement can accept different starting points in each country and do much more to work 'with the grain' of local institutions and reformers, rather than importing external models.

3.1 Towards a systems-wide approach

67. The point of departure should be to develop an understanding of the particular accountability problem (or function) to be addressed and then to work back from that to the wider system or network of actors/institutions likely to be relevant. Working backwards in this way may reveal the need to work with a particular actor/institution or a number of them – but, crucially, it does not prejudge which ones to support. Rather, it means working with what is already in place.

68. For instance, in Peru and Mali, focusing on accountability for budget processes revealed the importance of widening the network of actors/institutions engaged:

- In Mali, the Bureau du Vérificateur Général's ability to audit the Government was directly linked to the quality of information it was able to collect from line ministries, and in turn the ability of civil society and parliament to call government to account was directly linked to their access to the Bureau du Vérificateur Général's reports. In the education sector, the successful functioning of local school committees was dependent on effective multi-stakeholder processes that brought local counsellors together with citizens and decentralised education administrators. In health, local clinic associations (ASACOs) have been set up to manage health services and bring together community members, health practitioners and local authorities. The circular

- In Peru, given ongoing decentralisation processes, it was found that intervening with many actors but in a few targeted regions offered the best opportunities for promoting multi-actor systems of accountability while at the same time supporting decentralisation.

69. Figure 2 below graphically illustrates what an accountability system for budget processes might look like, revealing the network of actors which come together and the inter-relations between them.

Figure 2.   A domestic accountability system

A Domestic Accountability System Model

70. In Mozambique, by contrast, donors have continued to support individual institutions rather than build accountability relationships between and among institutions. Stakeholders argued that donors needed to do more to consolidate relationships and networks where they already existed. For example, they proposed that the Poverty Observatories, which bring together government, civil society and international partners, could be strengthened to become multi-stakeholder arenas where government could respond – and therefore be more accountable – to citizens' concerns (see Box 7).

Box 7. The Poverty Observatory system in Mozambique

The Government of Mozambique established the Poverty Observatory as part of its efforts to evaluate and monitor implementation of its poverty reduction strategy. The Observatory is a consultative forum operating at national and regional level which brings together Government representatives, civil society and international partners. While the Poverty Observatories in theory play important roles in informing citizens of their rights and responsibilities in relation to public goods and service delivery, some stakeholders argue that their impact has been undermined, as these fora remain largely consultative and are not a substantive platform for mutual accountability and power negotiations (da Silva Francisco 2007).

---

71. A "systems" approach to domestic accountability will also ensure that support to specific actors will be "balanced" (thus avoiding chronic and growing gaps in capacity and the scope for "capture" by dominant accountability actors) and more inclusive (e.g. reaching community-based groups, social movements, the private sector, trade unions, professional associations and others).   Similarly, it will strengthen the scope for more comprehensive approaches that facilitate linkages and connections across different actors or processes engaged in specific accountability functions – often crucial for achieving lasting change or greater impact.

72. This links to a number of emerging political economy insights that question approaches focused exclusively on either the 'supply' or 'demand' side of accountability (CFS 2010; Booth 2011). The case studies in Uganda, Mali and Peru reveal that citizens can often be hindered from realising their demand potential due a variety of social and political factors (such patronage patterns, power imbalances, cultural attitudes, or individual capabilities such as literacy and empowerment). This means that assumptions about latent citizen demand need further study to more fully understand the wider incentives at play. They also reveal the importance of supporting the nature of the connections or channels which can bring together demand- and supply-side actors.

USAID's support to Acuerdo de Partidos Politicos en Salud (Political Party Agreement in Health) has helped create consensus among political parties about important health reforms (see Box 8). While it has not been linked to parliamentary assistance (which is an existing gap), it illustrates a useful example of linking political party support to core sectoral concerns and issues.

Box 8. USAID support to political party platforms in Peru: PRAES and Politicas en Salud

USAID's support to political parties in Peru has focused on a specific sector – health – in an effort to stimulate endogenous political platforms and cross-party engagement in

Build linkages and relationships across domestic accountability actors and institutions

79. While conventional approaches to social accountability often focus on strengthening the 'demand side' in response to weaknesses in the 'supply side' of state accountability, recent political economy-grounded research points to the need to identify bridging channels that bring together citizens and the state (CFS 2010; Rocha Menocal and Sharma 2008; Booth 2011). Thus the work of the Centre for the Future State has emphasised that support to a particular set of actors (such as CSOs) alone is not particularly effective. Instead, support should be directed to 'broad based alliances' which brina8s 5e or13.r4.1(ta0.6(e)n8s 5)7.10.4(t ofanc)t

Assess and identify promising leverage opportunities and "weak links"

83. A systems-wide approach can help to reveal particularly weak links and potential areas of stronger leverage by i) identifying where capacity support and "real-time" opportunities exist to promote accountability, ii) providing a fuller understanding of the relationship between transparency, access to information and accountability, and iii) highlighting where there are particularly "weak links" in process or in terms of the relationships between actors..

84. Greater awareness of the inherently dynamic nature of domestic accountability systems opens up opportunities to recognise and respond to moments of transition or transformation. Social media and mobile technologies are increasingly shaping how people interact with politics and accountability around the world. New information and communication technologies have added channels and platforms for citizens to hold their governments to account. Support for accountability needs to account for the fact that new technologies and mobile applications change the rules of the game completely and constantly. Exa.5(.)T(nstuec)10.7(p)1.6 aes w67.4((w67.4ez)2)1.5a, (w67.4(p)1.6ichd m)18.6(a)-0.2kgef co n(w67.4(andop)12.5(l o

stemsapdedby documfipil2,7anl 87w(ng)75247pi)1-3keyf10.9(a)10.9ll transfo(m)18.8(a)0(tiu)12.7(e,n (m)18.8ong( )TJ-)1.3913 - o

me-044dia(pr(dou)-3.1cnt)8.3(s

anpy
lll(w17278(it)8.2h
sahyce-01(n
sh   ntatrixftomation ntgy,nputre,n ns
hg23a4conm90-8y cacans m

armdtsh
oia.s h(ofdod)12.7nor nuhemanxv
lnt-3e.nonsonl-shtans-9035p wre

CHAPTER 4. DEVELOPMENT CO-OPERATION AND THE SCOPE FOR DOMESTIC ACCOUNTABILITY

88. Aid is not a 'magic bullet' for addressing governance and accountability gaps – these fundamentally need to be led by internal reformers and processes. The preceding sections have described how donors can help facilitate or support endogenous change processes. At the same time, aid may actually undermine domestic accountability, particularly where it reinforces existing weaknesses or where it perpetuates practices that reduce its effectiveness, particularly as regards transparency, performance monitoring and results frameworks. These issues are briefly considered below.

4.1 Aid can undermine country-level accountability processes

89. Despite continuing efforts to provide development assistance in line with Paris Declaration principles (e.g. respecting country ownership, ensuring alignment and harmonisation, focusing on results and promoting mutual accountability), in the larger picture aid inflows can perversely compromise or short-circuit domestic accountability.

90. This phenomenon operates on two levels. Historical analysis from a wide range of countries points to the importance of taxation and domestic revenue generation – alongside revenue-bargaining between states and organised citizens – as crucial aspects of state-building and the development of accountability relationships (Bräutigam et al 2008:1). Because aid is an additional, exogenous resource made available for government spending, it can undermine the development of more legitimate and sustainable tax-based social and fiscal contracts between citizens and the state – and diminish the incentives political leaders have to respond to the needs and demands of their constituents. In Uganda, for example, GOVNET case study research highlighted perceptions that the government's access to donor resources may have reduced its incentives to be held accountable to citizens by reducing its reliance on tax revenues.

91. Secondly, aid flows may encourage stronger accountability to donors than to citizens, particularly where aid finances a large share of public expenditure (Bräutigam, 2000) and/or where conditionalities call for close monitoring and report-back. If governments respond to these incentives by exercising exclusive oversight and control over core aspects of domestic policy and spending decisions, then domestic accountability institutions like parliaments will be marginalised (Eberlei and Henn, 2003; Langdon and Draman, 2005).

92. The donor community needs to be aware of the overall magnitude of aid in a given country context and attentive to dynamics that may subvert or undermine accountability relationships between governments and their citizens.

4.2 Aid can help mobilise domestic resources – and thereby strengthen citizen-state relations

93. Relatively limited attention has been paid to issues of domestic resource mobilisation and taxation as part of domestic accountability support. In fact, overall only around 0.1% of all support for governance involves taxation, commonly in the form of short- or long-term technical assistance.

94. Partner countries and their development partners are increasingly aware of the diversity of finance that can be tapped for investing in development. Domestic resources in developing countries -- generated through private investment, savings and taxation -- will continue to provide the bulk of development finance for years to come. Taxation looms large in this respect, as suggested by recent analytical findings. For example, Tanzania raised an additional US$ 2.2 billion by increasing tax revenue from 10 percent to 16 percent of Gross Domestic Product (GDP) over the period 1998 – 2008. And the IMF has projected that basic tax reforms throughout sub-Saharan Africa could raise at least US$ 20 billion a year at today's GDP (Gates 2011). Furthermore, taxation plays a supporting role in improving governance by promoting the accountability of government to citizens.

95. But tax policies and administration systems in most developing countries are weak and dysfunctional, often giving rise to tax avoidance and evasion and inequitable burden-sharing. Many citizens are reluctant Many citize7

practice regarding the mix of aid instruments and cross-linkages between them that foster synergies continue to be relevant and necessary regarding support for domestic accountability.

Greater transparency and coordination of donors

100.   Landmark aid effectiveness agreements at Paris, Accra and Busan have impelled donors to make aid information more transparent and accessible to development partners. This helps governments and civil society understand what is being financed and where, and enables them to exercise proper oversight over public budgets.   It also fosters accountability between donors and partner country actors vis-a-vis promises and commitments that have been made, and improves the scope for aid co-ordination and effectiveness.

101.   The GOVNET case studies found evidence in Mali, Mozambique and Uganda of more accurate aid data being made available, often as a result of budget support frameworks and more *ad hoc* reforms. This seems to be particularly the case at the sectoral level, where sector working groups have established structured dialogue and information exchange between donors and a range of domestic stakeholders.

102.   In Uganda, for example, the creation of a simplified reporting spreadsheet for donors' in the Local Development Partners Group helped to capture -- in one document -- donor commitments and actual disbursements on a quarterly basis, searchable by sector. This echoes trends in other countries towards the sharing of aid information and attempts to collate it in usable ways, for example through Aid Management Policies or Platforms.

103.   An important step-change is now possible thanks to the International Aid Transparency Initiative (IATI), where 28 international donors[8] have so far agreed to provide more accurate, timely and comprehensive information on aid commitments and disbursements (see Box 12).

Box 12. Recent initiatives for improving transparency and enhancing access to information about aid flows

International Aid Transparency Initiative (IATI): IATI is developing international standards for the way donors report information about aid spending that will include:

- Agreement on what information will be publish and how detailed this should be

- A system for categorising different types of aid spending /commitments

- A common electronic format making it easier to share information

- A code of conduct on what information donors will publish and how frequently, how users may expect to access that information, and how donors will be held accountable for compliance.

Aid Management Platforms: Aid Management Platforms are web-based applications that allow governments to better manage and coordinate development assistance. Software developed by the Development Gateway Foundation provides a virtual workspace where governments and donors can share aid information – from planning through implementation – and then analyse this by donor, sector, status, region, timing and other factors. This is being complemented by programs such as Mapping for Results, developed by the World Bank Institute (WBI), through which the distribution of Bank resources for programs at country level are overlaid with poverty statistics to ensure resources are hitting the right areas. These results are then shown on an interactive map. WBI is now working with IATI to incorporate all donor allocations into one map, which can be made readily available online.

---

[8]   Data current as of January 2012

104.   While the work of IATI and others represent significant improvements, there are remaining challenges where donors do not provide information in ways which are compatible with how governments record information (Moon and Williamson 2010). Moreover, there has been little focus on support to domestic actors in terms of strengthening their ability to interpret and use aid data – a critical constraint for improving local capacity to hold government and the donor community to account.

105.   Making aid information more widely available can also facilitate better aid coordination, inform common diagnostics and political economy analyses and improve the division of labour across the local donor community.

Aid instruments that support the scope for domestic accountability

106.   There are a number of issues directly related to aid practices and instruments that also link to the scope for domestic accountability:

- ***Ensuring project aid is embedded in government budget frameworks and systems*** The Paris Declaration committed donors to base their overall support on partner countries' national development strategies and to progressively align their policies and procedures with partner country priorities, systems and procedures.   Budget support is arguably the mo eso ftiet avai2-10.9( )TJ0 -1

- *Link and sequence different aid instruments to maximise synergies and leverage scarce aid resources* The development assistance community could do a much better job of ensuring that different types of governance support – by individual donors and across the local donor community as a whole -- work together to create synergies. All governance-related aid interventions – both for public administrative functions such as financial management and procurement as well as for building more political institutions such as parliaments and political parties – could more systematically take account of, and address, the implications of such support on accountability actors and functions. The links and impacts that all governance-related aid interventions have on accountability need to be leveraged: for example, more work is needed to ensure that ministries and government officials are more accountable to parliament and citizens, and that state institutions are accountable to their hierarchies or internal control functions.

- *Enhancing co-ordination through special aid delivery arrangements* Certain types of co-ordination frameworks and aid instruments, such as sector support and basket funds, can significantly enhance the impact and reduce the transactions costs of development assistance – including support for domestic accountability. Joint funding arrangements, a common and shared political economy analysis of the local context, and close co-ordination of programme planning and implementation are especially important features of these aid modalities. Channelling development assistance through basket funds and sector budget support can facilitate more coordinated and coherent programme objectives, reduced overlap and fragmentation, improved division of labour, and more balanced support for the accountability system as a whole – so long as implementation arrangements are clear, roles and responsibilities have been identified and agreed, and communication channels established and used. .

4.4 Managing risk and achieving results

107. Some of the current discourse on results in donor countries has created concerns that an excessive focus on results could marginalise support to accountability and governance as areas which are intrinsically challenging to measure in quantifiable ways.

108. In a larger sense, however, reinvigorated work on results can only help to understand how to best identify and manage risks, and how to measure results achieved in promoting accountability. A growing body of analysis, reinforced by the GOVNET country case studies, points to the lack of a robust evidence base for measuring and understanding the impact of accountability support. Too little has been invested in understanding what works and why in this field. As McGee et al highlight: "many initiatives are not underpinned by a clear articulation of exactly what outcome or impact is sought.... or of how the actions and inputs contemplated are expected to generate that outcome or impact. That is, the assumptions underlying the causal chain, from inputs to outcomes and impact, are absent, vague or too implicit" (2010: 9-10).

109. Incorporating political economy insights into accountability programming should help ensure that programme objectives are more realistic -- and therefore more amenable to rigorous results measurement. Thus, it's necessary to pay much greater attention to programme objectives and assumptions at the outset of the design process. Being explicit about the theory of change justifying the support can be particularly helpful in testing starting assumptions. And assessing the wider political context and the enabling environment for reform will be particularly important for assessing the impact of aid on domestic accountability.

110.   A key first step will be to identify and monitor risks (including political risks) and to develop forward-looking tools to help anticipate future risks (Phillips 2006). Building in greater risk assessment (and using political economy tools where appropriate) throughout programme delivery will also be key (Wild and Foresti 2011). This will require frameworks and approaches which allow for the observation of (and adaptation to) change over time (rather than a static evaluation at the end of a programme of support) (Ibid.).

111.   Stronger, more well-founded results frameworks will enable development agencies to i) identify realistic programme objectives at the outset, ii) correctly gauge and manage risks, and iii) understand better what works and why.

CHAPTER 5. CONCLUSIONS

112.   Donor support to domestic accountability needs to take greater account of the realities of power, politics and incentives and do much more to ground support in strengthening core accountability functions and to identify and bring together key institutions, groups and networks around local reform agendas. Recognising that domestic accountability works as a system which brings together a number of actors/institutions and incentives may be particularly helpful, and will support a focus on functions and mechanisms for realising substantive accountability.

113.   This suggests the following promising approaches:

  i. **Accountability support should be political, not just technical, in its approach and design**. The use of political economy analysis or of other forms of political and social analysis can be particularly helpful in understanding incentives and power dynamics and ensuring a more politically-grounded approach. This will help to move beyond an exclusive focus on forms of accountability. It will be particularly useful to work towards more shared analysis and pooled funding, in order to strengthen coherence and co-ordination and promote an appropriate division of labour across the local donor community.

 ii. **Analysis should focus on identifying the core accountability functions – and core weaknesses – to be addressed, rather than starting with a particular accountability actor. This recognises the need to work with the grain of local reform processes and to find "best fit" rather than standardised "best practice" approaches**. It will often mean understanding the interactions between formal and informal institutions, as examples like the roles of traditional chiefs in Mali reveal. It involves considering the incentives created by accountability support itself – and avoiding incentivising organisations to compete for funding rather than collaborate to achieve change – as well as accepting longer timeframes and greater realism in the setting of objectives for support. This implies some significant shifts in donor roles in relation to domestic accountability support, towards roles as conveners or facilitators of locally-driven processes.

iii. **A systems-wide analysis and approach will support a shift in focus towards supporting the wider enabling environment for accountability and core accountability functions, rather than particular actors in isolation.** More system-oriented strategies may be better placed to engage with sectoral dynamics, thematic issues or operational problems. Any work on particular issues or sectors should do much more to build links between local and national levels, and to address ongoing challenges where isolated accountability initiatives do not go to scale.

 iv. **It is important to reflect on how aid relationships overall shape the scope for domestic accountability.** Donors need to be mindful that aid can undermine accountability relations between government and citizens. Donors should increase the transparency, predictability and co-ordination of the aid they provide. Support needs to be given to improve how available information can be used and acted upon by different groups.

  v. **Approaches to the monitoring and evaluating of results – and risks – of accountability support must be prioritised.** This orientations note, and the case studies it synthesises, attempts to help address some of these gaps.   Adopting an accountability systems approach should allow for

approaches to measurement which include assessments of the wider context and the enabling environment for accountability reforms. They can help develop more realistic theories of change, which consider the incentives and relationships between actors – and thus ensure that project and programme objectives will be more realistic. However, much greater evidence is needed, as are new tools to better measure, monitor and manage political risks and to better capture results in this area.

114.   This poses a number of implications for programme design, implementation and evaluation, set out in Box 14 below.

Box 14. Core recommendations for domestic accountability programme design, implementation and evaluation

Programme design:

- Draw on available context analysis (and where not available, consider commissioning analysis) as well as evaluations

- Consider joint analysis or funding arrangements to develop shared understandings of the accountability system, and use this to address fragmentation challenges

- Map formal and informal actors, institutions and processes which shape accountability. Understand the relationship between these actors and systems and draw on this as a basis for designing support programmes.

Programme implementation:

- An accountability systems approach means thorough analysis of the whole accountability system, and then targeted support to address particular weaknesses or gaps

- Taking a systems approach may involve providing support in ways which build relationships, bring together coalitions and support dynamic change processes. It may require different ways of working, including brokering, facilitating and supporting local reform processes.

- A systems-wide approach may mean working with unconventional actors, such as the private sector, political parties, trade unions and others, as well as new issues (taxation).

- Donors can impact on the scope for domestic accountability in how they provide aid. Donors should realise their commitments to greater transparency, integrate aid in country accountability systems and improve aid management at the field level.

Programme monitoring and evaluation:

- It is crucial to develop a theory of change, underpinned by realities in a given country, for each intervention, which makes explicit assumptions about how and for whom a programme will work

- These assumptions should be reassessed at milestones throughout the programme and revised where needed

- Build in assessments of the wider context and risk management throughout the programme cycle (for monitoring and evaluation)

- Combine evaluation methods to capture medium term and longer outcomes.

PART II

PRINCIPLES ON ASSISTANCE TO ACCOUNTABILITY ACTORS AND INSTITUTIONS:

ELECTIONS, POLITICAL PARTIES, THE MEDIA, PARLIAMENT AND REVENUE MATTERS

Introduction

115.   Moving towards an "accountability systems" approach requires making the link between those institutional actors of accountability to ensure over time that the substantive functions, not only the forms, of domestic accountability are operating effectively. Many donor agencies have sought to find ways of better appreciating the interdependence of institutions in governance and service delivery, especially through the use of various political economy techniques. For example, SIDA's *Power Analysis*, "involves gaining a deeper understanding of the political, social, cultural and economic issues at play in a country; the power relationships between actors at the societal level and the incentives of these actors to affect or impede change."[9] In the same vein, DFID has invested significantly in its *Drivers of Change Analysis*, and subsequent tools such as the *Country Governance Analysis*, which draw on many of the same techniques, to help "understand how incentives, institutions and ideas shape political action and development outcomes in the countries where we work."[10] However, it is important to recognise how aid can distort or fragment accountability processes – either by eroding the social contract between the state and its citizens, or by creating disincentives for collaboration across different domestic accountability institutions. More attention should be directed at understanding the incentives and power dynamics of all actors involved in accountability processes.

116.   As highlighted in Part I, supporting accountability implies "working with the grain" of societies and developing country specific strategies which represent the "best fit" (IDS 2010). This requires greater emphasis on facilitating or convening locally-driven reform processes. Such processes cannot be disconnected from the institutional actors such as electoral commissions, parliaments, the media and political parties, who have initiated them and whose functions imply to pursue them on the long run.

117.   Yet, evidence suggests that, while donors have had some successes in supporting domestic accountability and strengthening institutional capacities in developing countries, neither good practices nor potential impacts of such support on reform processes and the quality of accountability are well known. For example, ***electoral assistance*** is the field that has received most international attention because of the pivotal role of voting in providing the public with a political voice and calling the Executive to account for their actions. Although democracy involves more than holding free and fair elections, they are the fundamental building block for effective accountability. By contrast, ***political parties*** have been regarded more cautiously by donor agencies, because of perceptions of 'political interference' in the domestic politics of another sovereign nation. Yet, political parties are an equally vital part of the public sphere, providing the principal vehicle for the articulation and representation of public concerns within the political systems of accountability. The quality of the party system is intrinsically linked with the quality of accountability. And, as Tom Carothers notes in the paper (see below), party aid is inevitably political, but it has a legitimate place in foreign assistance in pursuit of democratic and development goals.

118.   In addition, effective governance also depends on a functioning public sphere - where citizens come together (even virtually), share information, and deliberate on public issues. This depends on *a vibrant media* which provides information, highlights key issues and facilitates public debate, but it also acts as a watchdog for the public interest and holds state and non-state actors accountable. The very nature of the media means that it interacts with accountability systems at all levels, and increasingly international assistance is seeking to buttress this vital role. ***Parliaments*** are the key institution in securing Executive accountability. While governments are directly accountable to voters at elections, in between elections it is the duty of parliamentarians to hold ministers and their departments to account on the public's behalf. Parliaments derive much of their authority from the fact that a number of accountability institutions usually

---

9   SIDA, (2005), Methods of Analysing Power: A Workshop Report, p. 5

10   DFID, (2009), Political Economy Analysis: How To Note, p. 4

report to them - ranging from the supreme audit institution, the ombudsman and the electoral commission, through to utility regulators, inspectorates and agencies. In other words, parliaments should sit at the centre of a web of domestic accountability and are potentially vital allies for donors in securing accountability and improving the quality of public services.

119.   As part of its exercise on exploring ways to improve aid and donors support to domestic accountability and in parallel with the case studies in Mali, Mozambique, Peru and Uganda, **GOVNET held a series of high-level roundtables and seminars[11] and gathered expert advice** in a multi-pronged effort to identify international good practice and develop several principles for support to key domestic accountability institutions such as political parties, parliaments, civil society and the media.

120.   This part sets out specific principles for targeted, institution-specific support to key components of domestic accountability systems -- electoral assistance, parliamentary support, political party assistance and media assistance. Taken together, these principles provide a guide for how to achieve more effective, and more politically aware, programming for support to particular actors or institutions, or as part of a wider systems approach. In particular, they stress the need to:

- **Take context seriously**: Assistance to any one domestic accountability actor needs to work from a deeper understanding of local conditions and examine the interconnections between institutions, sectors and actors.

- **Align support programmes with wider accountability objectives:** Reflecting the interdependence of systems of accountability, projects must be tied to other governance support efforts. A programme in a particular area - such as elections – should actively complement any assistance efforts in other areas – such as parties, parliaments or media.

- **Establish realistic objectives:** Improving domestic accountability processes and institutions is likely to be slow and incremental. Projects need to be based on a realistic assessment of what is feasible, which will often mean having limited objectives rather than seeking to overhaul the entire system.

- **Ensure local ownership**: Achieving meaningful change means changing patterns of behaviour as much as increasing resources, reforming institutions or creating new laws. However, behavioural change cannot be imposed from outside -- it must be emerge from within. Projects should be fully "owned" by local partners and aligned with local incentives and coalitions for reform.

- **Build long-term support**: Because change happens slowly, support must be based on a multi-year commitment. The assurance of a long-term presence is likely to enhance the relationship with the local partners and increase the chances of genuine impact.

121.   Core elements of these principles are summarised in the box below (Box 15).

---

[11]   As part of its programme on accountability, the OECD/DAC/GOVNET held a series of high-level roundtables and seminars dedicated to the trends in support to accountability actors and institutions. A First GOVNET Roundtable on International Support for Elections: Effective Strategies and Accountability systems was organized on 1 March 2010 with the support of United Kingdom Department for International Development (DFID), United Nations Electoral Assistance Division, Department of Political Affairs (UN, DPA), United Nations Development Programme (UNDP), European Commission (EC) , European Commission – United Nations Development Programme: Joint Task Force on Electoral Assistance (EC-UNDP JTF), International Institute for Democracy and Electoral Assistance (IDEA). A seminar on Trends in Support of Accountability: Political Party Assistance was then co-hosted by GOVNET and International IDEA on 9 December 2011. In addition, a seminar on Trends in Support of Accountability: Media Assistance Today jointly sponsored by The World Bank Institute, Internews, BBC World Service Trust and the GOVNET took place on 7-8 June 2011. Finally, the GOVNET hosted the Fourth Annual Donor Coordination Meeting on Parliamentary Support on 23 April 2012.

Box 15. Support to domestic accountability actors

General principles which apply to all domestic accountability support:

- Take context seriously and align support programmes with wider accountability objectives

- Establish realistic and long term objectives

- Ensure local ownership and work with incentives for reform

- Pay attention to gender issues and inequalities

Principles on International Elections Assistance:

- Be alert to electoral risk and the long-term causes of political violence

- Ground electoral assistance in complementary diplomatic policies but don't instrumentalise it

- Recognize the role of regional organisations

- Be as comprehensive as possible

Principles for Political Party Support:

- Be aware of but not paralysed by the sensitivities of party aid

- Build on the interconnections between party aid and other elements of political aid.

- Don't confuse party diplomacy with party aid

- Don't assume common goals between providers and recipients

Principles for Media Assistance:

- Incorporate media indicators and audits into governance diagnostics and needs analysis

- Cooperate with media development CSOs and determine media objectives and outcomes, not methodologies

- Support independent, sustainable, and capable local media in developing countries

- Support systematic research on the effects of media and information access on domestic accountability

- Learn about and harness new technologies

Principles for Supp♦♦toPhar)♦a(ment)♦s)♦♦♦♦♦

Don'ttigntor(po)12.9(liti)122((c)-336(a)1294li)11.1(part)14.6ii

CHAPTER 1. PRINCIPLES ON INTERNATIONAL ELECTORAL ASSISTANCE

*These principles were prepared by Thomas Carothers, Vice President for Studies, Carnegie Endowment for International Peace, as a discussion piece for the **First GOVNET Roundtable on International Support for Elections: Effective Strategies and Accountability systems** on 1ˢᵗ March 2010 and revised based on the deliberations and subsequent comments from participants.*

Preamble

122.   Supporting democracy is a crucial endeavour for the international donor community, both because of the intrinsic value of democracy as a political system that helps foster human dignity and the contributions that democratic governance makes toward better developmental outcomes for individual citizens.

123.   Elections are only one element of democracy, yet they are an irreplaceable one—without genuine and credible elections democracy does not function. Elections give form to citizens' political voice, constituting both a fundamental root of political accountability and an orderly process for successions and alternations of power.

124.   Through substantial support for elections in many countries attempting democratic transitions over the past several decades, the international community has helped improve numerous electoral processes. By identifying lessons from these experiences and incorporating some of those lessons into improved methods and practices, international elections assistance is positively evolving.

125.   Nevertheless, given the complexities, difficulties, and risks of electoral processes in many developing countries electoral assistance continues to face numerous challenges, especially in post-conflict contexts and in fragile states characterized by socio-political divisions, ineffective governance structures and the disenfranchisement of citizens, most often women, from electoral and broader political decision-making processes.

Draft Principles

126.   Marking a renewed commitment to make electoral assistance as effective and useful as possible, the major funders and implementers of international electoral assistance agree to the following strategic and operational principles:

1. **Take the local context seriously** through careful, comprehensive assessments especially in fragile situations[12]. Elections assistance efforts should be grounded in incisive political economy analyses that identify and examine the determinant power dynamics and political constraints that shape the electoral environment, as well as the specific roles that elections are likely to play in particular settings.

---

[12]   See the New Deal for Engagement in Fragile States (www.pbsbdialogue.org) as well as the Monrovia Roadmap (http://www.oecd.org/dataoecd/23/24/48345560.pdf)

2. **Be alert to electoral risk**. Elections assistance providers must respond to the recent rise in electoral and post-electoral violence in conflict prone and developing countries by giving greater attention to electoral risk and structural causes of political violence that could ignite in election processes. These concerns should be reflected in the design and implementation of electoral assistance interventions.

3. **Don't misuse electoral aid and promote transparency**. Electoral assistance should be employed based on the highest standards of impartiality and only to promote free and fair elections, not to advance other donor policy goals, such as burnishing the legitimacy of favoured partner governments or building friendly relationships with governments. Assistance should be provided on a transparent basis: information on who is providing funding, and assistance should be readily available. Cost-effectiveness should be ensured so that state expenditure is in line with efforts to meet the Millennium Development Goals (MDGs).

4. **Ground electoral assistance in complementary diplomatic policies**. Electoral assistance should be grounded in complementary diplomatic policies that seek to nurture or reinforce the commitment on the part of partner governments to follow accepted electoral norms and meet the international obligations for democratic elections.

5. **Recognize the role of regional organisations**. Electoral assistance providers should take full account of the valuable role that regional organisations can play both in election monitoring and electoral assistance and seek the greatest possible complementarity with such organisations.

6. **Embrace a full concept of ownership**. Electoral assistance should be owned not only by the relevant partner government but also by the broader political society in question. Electoral assistance providers should embrace an interpretation of local ownership that takes account of this political imperative.

7. **Build on donor coordination**. Electoral assistance providers should build on the progress they have made in creating cooperative mechanisms for electoral assistance by assessing the record of such mechanisms and seeking ways to broaden and deepen communication, cooperation, and coordination among all relevant assistance providers. Planning, financial arrangements, evaluation and reporting should be harmonized.

8. **Be as comprehensive as possible.** Designing elections assistance to be comprehensive horizontally across the many domestic institutions and sectors that are involved in an electoral process will ensure better synergies and overall coherence. Elections assistance and observation should be well coordinated, as observation plays a key role in effective electoral support.

9. **Think and act across the electoral cycle.** Elections assistance should be designed, planned, and implemented in a long-term fashion across the full length of electoral cycle and if possible across multiple cycles, avoiding the common tendency to focus primarily on activities relating to elections day. Donor support should encourage sustainability to ensure that local capacity is built as quickly as reasonably possible.

10. **Push for integration**. Electoral assistance should be actively integrated into the wider domain of democracy support, especially assistance for political party development, legislative strengthening, media assistance, and civic education programs.

11. **Emphasize citizens' understanding and engagement.** Efforts to help citizens understand the utility and significance of elections as one part of a broader set of accountability mechanisms should be an integral element of elections assistance. Experience shows that it is important to support consultative approaches to help election stakeholders to be jointly

responsible and to build their confidence, and that of the wider public, in election management bodies and other institutions involved.

12. **Add the local to the national**. Electoral assistance providers should complement their traditional focus on national elections with greater attention to strengthening local elections.

13. **Make the connection with accountability.** Elections assistance providers should actively connect their activities with the wider set of strategies and programs supporting accountable governance at all levels.

14. **Don't neglect gender**. Although progress has been made to widen and deepen the role of women in politics in many developing countries, electoral assistance providers should do more to incorporate a full gender dimension in elections assistance, especially to eliminate legal and practical limitations on women's rights to freely participate in electoral processes as voters and candidates.

15. **Respond more consistently to flawed elections**. Donor governments committed to advancing free and fair elections should strive toward greater normative consistency in responding to flawed elections.

16. **Keep learning about impact, and act on it**. Building on the important learning efforts undertaken in recent years, elections assistance providers should carry out deep-reaching evaluations of the impact of elections assistance in varied contexts and incorporate the learning from those evaluations into assistance practice.

Draft Action Plan for Further Elaborating the Draft Principles

127.   The First Roundtable on International Support for Elections agreed to further discuss and develop the *Draft Principles for International Support for Elections* over the coming year in various international and regional fora on elections. The following presents some initial ideas on a follow-up.

    i.   The Draft Principles should be **taken to a higher political level and be further developed** in light of feedback from different communities and international and regional fora. The Global Electoral Organisation (GEO), organized by International IDEA in March 2011 in Botswana, provided an excellent opportunity to present and discuss the draft principles more widely, in particular with regional organisations and electoral bodies. Other ideas on opportunities for discussion should be collected.

    ii.   Further understanding about **building coherence between the technical and the political level** of electoral assistance is needed and might be explored at upcoming meetings:

•   The challenges of electoral assistance in fragile and conflict-affected states need further exploration. Within the OECD, the International Network on Conflict and Fragility (INCAF) and GOVNET are exploring collaboration on a workshop on elections in fragile and conflict-affected states.

•   It was agreed that the group should further explore basket funding issues with a lead from the EC-UNDP Joint Task Force. It may also be interesting to hold a seminar on whole-of-government approaches for elections and to reach out to colleagues working on elections in the Ministries of Foreign Affairs.

•   Increased consultation with regional organisations and electoral bodies is needed, and, as noted, the GEO in March 2011 allowed for considerable advancement on this front.

    iii.   The draft principles could be piloted in an upcoming election in a developing country.

CHAPTER 2. PRINCIPLES ON POLITICAL PARTY ASSISTANCE

*These principles were prepared by Thomas Carothers, Vice President for Studies, Carnegie Endowment for International Peace for the OECD/DAC/GOVNET, presented to the **Seminar on Trends in Support of Accountability: Political Party Assistance,** co-hosted by GOVNET and International IDEA on 9 December 2011 and to the 14th Plenary Meeting of the OECD/DAC Network on Governance on 10 December 2011, and revised based deliberations and subsequent comments by members.*

Roles of Political Parties in Democracy and Development

128.   If they function well, political parties can play a number of fundamental roles in democratic politics, including:

- aggregating citizens' views and interests;
- providing structured political choices to citizens;
- engaging citizens in the democratic process;
- training and socializing political leaders;
- developing policies and taking responsibility for implementing them; and
- facilitating coordination within legislatures and between branches of government.

129.   In addition, political parties can help advance governmental accountability. Opposition parties have a direct interest in monitoring the actions and checking the power of ruling parties and putting forward viable policy alternatives. Parties are also held accountable for their performance by voters. Compared to individual politicians, parties tend to have longer time horizons and a stake in maintaining a long-term reputation. Any individual politician who ignores the electorate or abuses his power can face pressure from within his or her party to reign in their behavior.

130.   Although it is most common to think of political parties in terms of their role in democratic politics, they can also be key players in promoting sustainable development. Parties can initiate pro-development policies which reflect the interests of key social sectors and can gain public legitimacy for these policies through electoral competition. Parties can then ensure the necessary coordination within government to implement these policies. The long-term interest of parties lies in promoting sustainable development to continue winning popular support. Thus, the important roles that parties play in establishing political accountability potentially contribute to positive socio-economic development effects of active, effective parties.

Common Shortcomings of Political Parties

131.   Two striking facts stand out about political parties in developing countries: first, parties are exceptionally unpopular—on the whole they are the least respected public institution in most countries;

countries and regions. Taken together these complaints from what I have called the "standard lament" about parties in new and struggling democracies.

132. In this view, parties

- are corrupt, self-interested organizations dominated by power-hungry elites;

- do not stand for anything and hold to ideological positions only opportunistically;

- waste endless time and energy squabbling with each other over petty issues;

- become genuinely active only at election time; and are ill-prepared for governing and do a bad job of it when given the opportunity.

133. Although the characteristic shortcomings of parties are very common throughout the developing world, the overall party systems vary considerably. Without attempting a detailed taxonomy of party systems, some of the major types include:

- dominant party systems in which one party holds most of the political power and occupies most of the political space, with scattered opposition parties at the margins;

- inchoate party systems in which most political parties are unstable organizations that come and go from the political stage; and

- stable distributed party systems in which a small number of relatively stable parties trade power back and forth across successive elections.

134. The causes of the standard deficiencies of parties in developing countries are complex and multiple. They include:

- compressed transitions: the relatively rapid movement from authoritarianism to multiparty politics characteristic of democracy's "Third Wave" left parties in these countries with little time to develop a broad grassroots base; instead they were thrown immediately into electoral competition and forced to become electorally-focused, with negative consequences for their long-term organizational development;

- weak rule of law: the weak rule of law characteristic of many developing countries works against party development by providing an inadequate framework for regulating the financial and other activities of parties;

- poverty and inequality: the widespread poverty and high inequality in many developing countries contribute significantly to the rise and endurance of neo-patrimonial, clientelistic politics marked by high levels of political corruption and politically passive citizens;

- anti-party legacies: in many new or struggling democracies citizens come to democratization with a deeply anti-political outlook based on their previous experience with authoritarianism, rendering it very difficult for political parties to establish successful representational links with withdrawn, cynical citizens; and

- presidential systems: the presidential systems that predominate in Latin America, the Middle East, the former Soviet Union, sub-Saharan Africa, and parts of Asia, are hard on parties due to their tendency to encourage top-down leader-centric parties and weak parliaments.

The Party Aid Domain

Initial Phase

135.   Responding to the disjunction between the potential importance of political parties and the weak state of parties in most new or struggling democracies, various international actors have provided assistance to parties over the last three decades. From the mid-1970s through the middle years of this decade, such aid was dominated by the German political foundations (Stiftungen) and the U.S. party institutes (with USAID playing a significant role as the largest funder of these institutes). Some other European political foundations were also active, the largest of these being Olof Palme International Center (Sweden).

136.   This assistance focused primarily on strengthening individual parties, seeking to help them either with long-term organizational development or with electoral campaigns. A relatively standard set of reform areas defined the party strengthening agenda. Aid providers sought to help parties in developing countries build internal democracy, competent, rational management structures, well elaborated political platforms, transparent, broad-based funding, the capacity to campaign effectively, a well-defined membership base, productive relations with civil society, a strong role for women, and good youth programs.

137.   The most common modality of this assistance was training—seminars for party cadres on all aspects of party development, usually carried out by outside trainers. The assistance often also included a wider menu of support as part of a general partnership approach between the party aid providers and the target parties—strategic advice, provision of consultants, exchange visits and study tours, minor material assistance, logistical facilitation, and the provision of political polls.

138.   Some of the assistance, including most of the European assistance, followed a fraternal approach--party-to-party partnerships based on a common ideological identity. Some of the assistance, including most of the U.S. assistance, followed a multiparty approach—in which the party aid provider worked with all of the main parties in the country simultaneously. Debates over the relative advantages and disadvantages of the two approaches are common; each has particular strengths and weaknesses, depending on the context.

New Phase

139.   Starting in the middle years of this decade, international party assistance entered a new phase characterized by several elements of expansion and diversification:

- the entry of new actors into the party aid domain, including (1) multiparty party aid organizations (e.g. Netherlands Institute for Multiparty Democracy (NIMD), Demo Finland, Danish Institute for International Multi Party Cooperation), (2) multilateral organizations (e.g., UNDP, International IDEA, the OAS), and (3) at least one major bilateral aid agency (DFID);

- a broadening of types of assistance to include direct funding of parties and a greater focus on strengthening party systems rather than individual parties, including efforts to build interparty dialogues help reform party finance systems, and support constitutional reform processes.

- a wider geographic reach; much more party assistance is now going to non-Western countries—in Africa, the Middle East, and Asia—as opposed to the earlier concentration of party aid in Central and Eastern Europe and Latin America.

140.   This expansion of party assistance reflects the widening realization within the development community that political parties are often the weakest link in attempted processes of democratization and in development more generally. It also reflects growing recognition after the surge of attention to civil society development in the 1990s that no matter how vibrant it becomes, civil society is not a substitute for political society. Political parties play some crucial roles that civil society organizations cannot. Despite the ongoing expansion of political party assistance, however, significant parts of the development aid community remain wary of political party assistance, uncertain about the links between political party

development and socio-economic development, concerned about the political sensitivities of such assistance, and worried that working with political parties will entail engagement with corrupt, tawdry politicians.

Evaluation

141.   Throughout the first phase of party assistance, party aid groups paid relatively little attention to evaluation. They felt convinced both of the importance of political party development and the value of their core methods. This situation is changing in the new phase of expanded, diversified party assistance. This new phase coincides with greater attention generally in the development assistance community to evaluations, attention that naturally spills over to party assistance. The earlier sense among some providers that party aid was a kind of reserved domain sheltered from the everyday bureaucratic imperatives of

messages more effectively, that are allowing a greater place for women, that are experimenting with more democratic methods of internal selection, that are using polling to better understand citizens' desires, and so forth. With respect to aid directed at party systems, it is also possible to observe meaningful interparty dialogues that have been facilitated by international assistance, some system-wide reforms on party financing, and some efforts to develop ethical standards for parties. Given that party assistance is on the whole not a very expensive enterprise relative to the larger pool of official development assistance, at least some argument can be mounted that these modest changes are in reasonable proportion to the effort.

146.   Nevertheless, frustration and disappointment are characteristic of many party aid efforts. Many parties absorb significant amounts of party aid for many years without showing important signs of positive change. Expectations about what party aid can accomplish are often too high. The very modest results of most party assistance can be ascribed to two main factors. First, political parties are very difficult organizations to assist. Many parties are highly resistant to reforms. They are leader-driven vehicles, serving the interests of a narrow party elite willing to use any methods to gain and maintain power. For the leadership of these parties, the reform agenda that international party aid providers bring is largely unappealing and even threatening. Almost every element of that agenda—whether greater financial transparency, more internal democracy, greater inclusion of women, more role for youth or more rational management systems—represents a potential reduction of the power of the entrenched party elite.

147.   Moreover, the rational assumptions that international party aid providers bring to the task concerning the basic aims of parties with which they work—that parties seek to represent citizens' interests, to elaborate a well-conceived, technocratic political platform, to compete hard but fairly, to emphasize substance over personalism, and so forth—often are not shared by the party elites in question, who see their own parties in very different terms, as vehicles useful for advancing particularistic interests of the elites themselves. Even when party elites look beyond their personal interests, they often do not believe donor suggestions serve the overall interest of the party. In an electoral environment which rewards charismatic leadership and patronage ties, the party may consider strengthening internal democracy or financial transparency detrimental to its ability to effectively compete in elections.

148.   Second, few of the main deficiencies of parties in new or struggling democracies are rooted in a lack of knowledge. Therefore, the provision of technical assistance, which is by far the largest element of party assistance, does little to ameliorate parties' shortcomings. Instead, as noted above, the principal causes of the weak state of parties in most of these countries are much deeper structural conditions. These factors—whether it is the larger lack of rule of law or the socioeconomic conditions that fuel patronage-based politics—are not very amenable to amelioration through conventional party assistance. This disjunction between the nature of the assistance offered and the full nature of the underlying problems is of course not unique to political party assistance. But it is strongly felt in the party aid arena.

Special Challenges

149.   In addition to the various challenges described above, political party aid also faces two significant additional challenges, ones that are found in other areas of democracy and governance assistance but which afflict party aid especially acutely.

150.   First, party aid is fraught with an unusually high level of political sensitivity. All aid relating to the core political processes of recipient countries—elections, parties, and legislatures—is inevitably politically sensitive. But party aid is especially so given that parties are the very institutions that are competing for power and, when successful, assuming power. Training parties to campaign more effectively, to build their membership, to refine their party programs, and other typical elements of party assistance all easily raise questions about political favoritism and interference. Given how tightly most established democracies

restrict any foreign assistance to their own political parties, it is not surprising that party aid often encounters questions in developing countries about its legitimacy and appropriateness.

151.   In the context of the ongoing backlash against democracy assistance, which emerged in the middle years of this decade, party aid is facing an even higher level of political sensitivity and suspicion than before. Party aid programs have been a target of governments pushing back against Western democracy assistance in the former Soviet Union, the Middle East, and South America. Nevertheless, party aid continues in dozens of countries in these regions and elsewhere.

152.   The special sensitivity of party assistance turns up not just in the recipient countries but also in the donor countries themselves. Depending on how donors are engaging with political actors, Party aid programs often provoke doubts and questions within political circles and among the citizens of donor countries. The most common doubts that arise are, 1) are we interfering in the legitimate political processes of other countries by assisting their parties? 2) are we engaging and possibly helping corrupt politicians? and 3) are our own parliamentarians using the party assistance to go on frivolous trips abroad? As one example of this domestic sensitivity, Norway established a political party assistance organization and then closed it several years later as a result of criticisms within Norway about how that assistance was being used. Furthermore, a part of the development aid community remains concerned about political party assistance being part of the ODA system. They argue that support to political parties and party systems could undermine official bilateral development cooperation and should therefore be left to the sphere of diplomatic relations between countries because of its highly political nature.

153.   Second, party assistance must live with a relative lack of confidence about its underlying institutional model. Given the many flaws of established Western democracies, persons in aid-receiving countries often ask what basis Westerners have to come to their country and offer solutions. This question hits especially hard with regard to party assistance. Only in a few established democracies can it be said that political parties are in a good state of health and closely resemble the rather idealized political party model that party aid providers implicitly seek to re-create abroad. In at least some established democracies, political parties seem to share many of the deficiencies of parties in new or struggling democracies, especially with regard to legitimacy among citizens, internal democracy, and transparency of financing. In simple terms, it is hard not to ask how political party aid providers can be confident that they know how political party development can be nurtured or whether the party model they seek to export is already fading from the global political scene.

Draft Principles on Political Party Assistance

154.   It is worth considering whether a set of common principles about political party assistance could be agreed upon within the donor community and with all partners. Such principles could be helpful in alleviating some of the suspicions and doubts about party assistance both in recipient and donor countries. They could also be useful as a way of capturing important lessons learned for a field in a period of expansion and diversification.

155.   Yet identifying—let alone agreeing on—such principles is not simple. Different aid actors are taking quite divergent approaches to this work and there remains a weak base of understanding of the results of such efforts over the years. Moreover, what might seem like obvious principles at first sight are often untenable. For example, it might be tempting to suggest that party aid should strive to be nonpartisan. Yet such a principle would not work for those party aid organizations that utilize the fraternal approach, in which party aid actors link up with and favor particular parties in a partner countries. Or it might be suggested that party assistance should not entail direct financial transfers to recipient parties. Yet some of the new entrants to the party aid domain have been utilizing direct grants to parties and believe

that the results are positive. With these caveats in mind, based on the discussion at the OECD-DAC-GOVNET and International IDEA Seminar on Political Party Assistance, 9 December 2010, the following draft principles have been developed. These principles can be used as a starting point for discussion on the role of official development cooperation in political parties assistance.

The Value and Place of Political Party Assistance

1. **Recognize the value of effective political parties** not just for democracy but also for development. Political parties play potentially crucial roles in articulating policy alternatives, helping spark public engagement in and legitimacy for pro-development policies, and establishing governmental accountability.

2. **Be aware of but not paralyzed by the sensitivities of party aid.** Party aid is inevitably politically sensitive given its reach into core political processes and institutions. At the same time, however, it has a legitimate place in foreign assistance if pursued openly in genuine pursuit of democratic and developmental goals.

3. **Build on the interconnections between party aid and other elements of political aid**.

Spring demonstrated, youth is playing a critical role in giving an impulse to behavioural change. Support to youth participation and inclusion must be encouraged in the future.

Monitoring and Evaluation

10. **Pursue realistic, incremental goals.** Given the uncertain and often troubled state of political parties even in established democracies, political party aid must not be based on the pursuit of ideal models but instead on very modest, realistic, and incremental goals based on in-depth studies of the local political environment. Local realities on the ground change rapidly in often highly complex political environment Setting realistic goals supposes as well to be flexible in their implementation to enable party aid providers to respond swiftly to realities on the ground and avoid the risk of losing the momentum for change.

11. **Keep strengthening evaluations, but don't overemphasize numbers.** Many issues regarding whether and how party assistance works remain insufficiently examined empirically. Party aid organizations should continue to deepen their evaluation efforts and support research and other learning exercises. At the same time, however, funding organizations should recognize that any efforts to reduce political party development to strict quantitative indicators are likely to be unhelpful.

12. **Recognize the long-term challenge, but focus on tangible outcomes.** Problematic features of political parties and party systems are not amenable to quick fixes and party aid is most effective when pursued on a long-term basis. Nevertheless, party aid programs should define tangible medium term outcomes that define the path of such longer-term engagement.

CHAPTER 3. PRINCIPLES ON MEDIA ASSISTANCE

*These principles were prepared jointly by Sina Odugbemi from the World Bank's Communication for Governance and Accountability Programme (CommGAP) and James Deane from the BBC World Service Trust (BBC Media Action) and presented for discussion (and subsequent revision) to the **Seminar on Trends in Support of Accountability: Media Assistance Today,** on 7-8 June 2011 and at the 15th Plenary Meeting of the OECD/DAC Network on Governance on 9 June 2011.*

"If it were left to me to decide whether we should have a government without newspapers or newspapers without a government, I should not hesitate a moment to prefer the latter".

Thomas Jefferson

Context

156.   For much of modern democratic history, media has been considered one of the most powerful and central forces for accountability. It receives special protection within most democratic constitutions expressly because an informed citizenry and a fourth estate capable of acting as a check on executive power are considered to be critical to good governance. Box 16 provides a useful and succinct contextual framing of accountability and its link to information and the media.

157.   Within the context of aid effectiveness and democratic governance agendas, few question the importance of a free, professional and plural media in contributing to good governance[14]. Nevertheless, few within the development community accord the media the same importance as other national accountability institutions. The media is mentioned (once) within the Accra Agenda for Action on Aid Effectiveness[15] within the context of helping to contribute to mutual accountability.

158.   Several surveys suggest the issue languishes low in terms of governance priorities within development agencies. Outside of the United States and the World Bank, only Sweden has a full time staff member focused on support media within the context of democratic governance and Norway has one half time professional. That constitutes the entirety of specialist capacity within the OECD DAC system. Neither UNDP nor the European Commission have any clear capacity focused on the issue of media support within the governance agenda at international level[16].

159.   Many DAC members have indicated that the issue should be a priority for domestic accountability, but many also lack understanding, capacity and resources to effectively support media as accountability

---

[14]   See Governance and the Media: A survey of policy opinion, BBC World Service Trust, 2009.

[15]   The word media was inserted, within the context of mutual accountability, at the last moment a few weeks before Accra as a result of advocacy by the BBC World Service Trust.

[16]   Unesco does have such capacity but has not been significantly involved in the DAC.

mechanism. Funding is being allocated to media work, but is often not institutionalized or integrated into an overarching policy structure,[17] and may therefore not be efficiently utilized.

Box 16. Political accountability and informational deficiencies

Extract from "Is information power? Using cell phones during an election in Mozambique

Jenny C. Aker; Paul Collier; Pedro Vicente

"The idea of political accountability has been at the center of the development debate in recent years. The hope is that once democratic institutions reflect the will of the majority, effective development policies focusing on the poor will be implemented. Economic theory supports these beliefs. Becker (1983) shows that when political competition is fully secured, efficient policies will arise. Yet developing democratic institutions that depend on the will of the general population has been particularly difficult to achieve in many countries. These problems have often been linked to information deficiencies, i.e. voters' unresponsiveness to policies (e.g. Grossman and Helpman, 1996) in theory; media shortcomings (Besley and Burgess, 2002) and lack of accountable local institutions (Bjorkman and Svensson, 2009) in practice. These problems have often been linked to information deficiencies, i.e. voters' unresponsiveness to policies (e.g. Grossman and Helpman, 1996) in theory; media shortcomings (Besley and Burgess, 2002) and lack of accountable local institutions (Bjorkman and Svensson, 2009) in practice."

Media and accountability in the democratic public sphere

160.   Good governance depends on a functioning national public sphere. The public sphere represents the space between government and citizens, where citizens come together (even virtually), share information, and deliberate on public issues. Media provides news and information to the public, brings issues on the public agenda and facilitates public debate and discussion. It serves as watchdog for the public interest and holds state and non-state actors accountable. Media is crucial for good governance: it creates the conditions for inclusive policy dialogue, as well as providing a platform for broad-based participation in actual policy processes.

161.   Media is a domestic accountability mechanism, but is clearly just one of many. Uniquely, it has the ability to dramatically enhance the visibility and effectiveness of other accountability mechanisms within society.[18] An example of the enhancing effect of media coverage is presented in Box 17.

Box 17. Using Media to Enhance Accountability Mechanisms

Federico Ferraz and Claudio Finan report on the effects of media exposure of corrupt politicians in Brazil. As part of an anti-corruption program, Brazil's federal government audited the expenditure of federal funds by randomly selected municipalities. Results of these audits were made publicly available and covered by the media. The researchers found that citizens used this information to punish politicians that were performing badly. This effect was more pronounced in areas where local media disseminated the audit results.

Source: Ferraz, Federico and Claudio Finan. 2008."Exposing Corrupt Politicians: The Effects of Brazil's Publicly Released Audits on Electoral Outcomes." *Quarterly Journal of Economics 123(2): 703-45.*

---

[17]   It is notable that the most recent and perhaps most useful published analysis of European spending on support to media was commissioned from the National Endowment for Democracy in the United States.

[18]   According to the World Bank Social Accountability Sourcebook, "a common element of almost all successful social accountability initiatives is the strategic use of and support to both traditional and modern forms of media." (World Bank: Social Accountability Sourcebook, chapter 2, p. 21)
(http://www.worldbank.org/socialaccountability_sourcebook/PrintVersions/Conceptual%2006.22.07.pdf)

Media, domestic accountability, and the role of development assistance

162.   The GOVNET work stream of OECD DAC has selected media, alongside support to parliaments and political parties, as one of three keas threonglltanfocu k suongtdo0(m)19(esti s)cca

has been shown to level prices for school lunches[21], increase the portion of public funding that actually reached the intended programs[22], and curb corruption in public sectors[23]. By using adequate statistical controls, these studies were able to ascertain that media was indeed the main factor contributing to improved domestic accountability.

Box 18. The power of media as measured by the corrupt

"Which of the democratic checks and balances – opposition parties, the judiciary, a free press – is the most forceful? Peru has the full set of democratic institutions. In the 1990s, the secret-police chief Montesinos systematically undermined them all with bribes. We quantify the checks using the bribe prices. Montesinos paid television-channel owners about 100 times what he paid judges and politicians. One single television channel's bribe was five times larger than the total of the opposition politicians' bribes. By revealed preference, the strongest check on the government's power was the news media."

Jonathan McMillan and Pablo Zoido, 'How to subvert democracy: Montesinos in Peru', Journal of Economic Perspectives, Fall 2004

Service delivery

167.   Most governance actors acknowledge that citizens need information about public services if they are to hold government accountable for their provision. Access to information movements, budget monitoring initiatives and aid transparency efforts are just some initiatives that have focused on enhancing accountability by ensuring that citizens have better access to information on the services or initiatives that are designed to benefit them.

168.   Politicians have been shown to be more responsive to citizen needs if citizens have access to information on political decisions. This effect is particularly strong in clearly defined media markets, where elected officials tend to act more in the interest of their constituents, attend more committee hearings, and cast their vote less frequently according to their party's agenda[24].

169.   Media improve domestic accountability by putting issues on the agenda that directly concern the interests of citizens and public institutions. This forces governments to take note of and respond to these interests. The relationship between a free media and government responsiveness has been demonstrated with regard to public spending on education and health[25], prevention of famine and public food

---

[21]   World Development Report. 2002. Washington, DC: World Bank.

[22]   Ritva Reinikka and Jakob Svensson. 2005. "Fighting Corruption to Improve Schooling: Evidence from a Newspaper Campaign in Uganda." Journal of the European Economic Association 3(2–3): 259–67.

[23]   Nathalie Franken, Bart Minten, and Johan Swinnen. 2005. "The Impact of Media and Monitoring on Corruption in Decentralized Public Programs: Evidence from Madagascar." LICOS Centre for Institutions and Economic Performance Discussion Paper 155/2005, Katholieke Universiteit, Leuven, Belgium. Available at http://www.econ.kuleuven.be/licos/DP/DP2005/DP155.pdf.

[24]   James M. Snyder Jr. and David Strömberg. 2008. "Press Coverage and Political Accountability". NBER Working Paper No. W13878. Available at http://ssrn.com/abstract=1106604.

[25]   Maria Petrova. 2008. "Political Economy of Media Capture." In Information and Public Choice. From Media Markets to Policy Making, ed. Roumeen Islam. Washington, DC: World Bank.

distribution[26] and relief spending[27]. Disasters that are covered by the national media are more likely to receive foreign aid[28] and receive more money than those not covered[29].

Box 19. When a radio programme turned the lights on in Angola

In Angola, the neighbourhood of Ilha da Madeira in Hoji-Ya-Henda now has light and electricity after 30 years, as a direct result of the 100 Dúvidas programme.

100 Dúvidas has helped shift Radio Ecclesia's focus back to the concerns of the poor, which primarily relate to service delivery (water, health, roads and bureaucracy). Most of the issues explored in the programme spring from specific local complaints but have widespread resonance as many people are affected by them.

This is the first programme on Radio Ecclesia – Angola's only independent radio station – which derives content directly from the input of audience members, who feed in through SMS, emails or hand-written letters. The programme is supported by the BBC World Service Trust and is part of a multi-country, DFID-funded Governance and Transparency project.

Political participation

170.   The relationship between politics, media and interpersonal communication is complex and has been substantially researched over several decades. Early evidence indicated a particularly significant role for radio in providing a critical platform for political debate and informing the electorate as well as having an impact on government resource allocation and responsiveness.

171.   More recently, there has been substantial research conducted on the impact of media on political participation in developing economies. Findings are consistent with earlier studies: in a wide variety of contexts, media has a key role to play in informing individuals; providing an inclusive and critical platform for public dialogue and debate; stimulating interpersonal communication and ultimately, policy-making that benefits a greater number of people.[30] Research has also shown that the larger the share of uninformed voters in the electorate, the higher the likelihood that politicians will manipulate policies to increase their chances to get re-elected, even of those policies are not in the public's interest in the long term[31].

---

[26]   Amartya Sen. 1981. Poverty and Famines. Oxford: Oxford University Press; Timothy Besley and Robin Burgess. 2002. "The Political Economy of Government Responsiveness: Theory and Evidence from India." Quarterly Journal of Economics 117(4): 1415–51.

[27]   Besley & Burgess. 2002.

[28]   Thomas Eisensee and David Strömberg. 2007. "News Droughts, News Floods, and U.S. Disaster Relief." Quarterly Journal of Economics 122 (2): 693–728.

[29]   Douglas A. Van Belle. 2010. "Media Agenda Setting and Donor Aid." In Public Sentinel: News Media and Governance Reform, ed. Pippa Norris. Washington, DC: World Bank.

[30]   James M. Snyder, Jr and David Strömberg. 2004. "Media Markets' Impact on Politics." Working Paper available at http://americandemocracy.nd.edu/speaker_series/files/SnyderPaper.pdf. Peter T. Leeson. 2008. "Media Freedom, Political Knowledge, and Participation." Journal of Economic Perspectives, 22(2): 155–69. Alessandro Olper and Johan F. M. Swinnen. 2009. "Mass Media and Public Policy: Global Evidence from Agricultural Policies." Paper prepared for presentation at the International Association of Agricultural Economists Conference, Beijing, China, August 16-22, 2009. Available at: http://ageconsearch.umn.edu/bitstream/51694/2/Olper-Swinnen%20IAAE%2009_2.pdf.

[31] Shi, M. and Svensson, J., 2002, "Conditional Political Budget Cycles," CEPR Discussion Paper No. 3352.

172.   There is a particularly strong body of evidence that considers the role of the media in elections. Evidence from both developed and less developed countries has shown that people exposed to and engaging with high quality media that cover political issues are better informed, more civically engaged and more likely to vote.[32]

Challenges

Lack of systematic evidence

173.   Although there is a substantial amount of research on the role of the media for domestic accountability, this research remains scattered and inconsistent. Studies use vastly different definitions and measurements of accountability and interpret results inconsistently. Anecdotes of successful media interventions outnumber rigorous studies with strong empirical measures.

174.   Research lacks an overarching theoretical framework that would enhance our systematic understanding of the role of media for accountability. Donor organizations increasingly see the need to construct such a framework. In its publication "Public Sentinel: News Media and Governance Reform," the World Bank situates the interaction between media and accountability within the framework of a democratic public sphere. DfID and AusAID are in the process of commissioning a systematic review of evidence on approaches by non-government organizations (including media) that have been effective in improving service delivery in developing countries to strengthen the international community's capacity for evidence-based policy making with regard to increasing accountability[33].

Lack of institutional support structures

175.   The US Department of State and US Agency for International Development (USAid) have spent more than half a billion dollars on media development in the past five years. Their combined budgets for 2010 saw $140.7 million allocated to media support, representing a 36% increase over 2009 spending and an even more dramatic rise from the 68.9 million spent five years earlier.[34]

176.   Figures for expenditure on media support outside of the US are available, though comparative figures are not available for 2010. OECD reporting from 2005 through to 2007, however, indicated an increase in donor assistance to the media sector – up from $USD 47.9 million to $USD 81.7 million over

---

[32]   Claes H. de Vreese and Hajo Boomgaarden. 2006. "News, Political Knowledge and Participation: The Differential Effects of News Media Exposure on Political Knowledge and Participation." Acta Politica, 41: 317–41. Jenny C. Aker, Paul Collier and Pedro C. Vicente. 2010. "Is Information Power? Using Cell Phones during an Election in Mozambique." Draft research report, November 2010. Available at: http://www.pedrovicente.org/cell.pdf. Michael X. Delli Carpini and Scott Keeter. 1996. What Americans Don't Know About Politics and Why it Matters. New Haven: Yale University Press; and many others.

[33]   http://www.3ieimpact.org/systematicreviews/3ie-ausaid-dfid.php

[34] '   U.S. Government Funding for Media Development', A Special Report to the Center for International Media Assistance http://cima.ned.org/sites/default/files/CIMA-U.S._Government_Funding_for_Media_Development-Report_0.pdf.

two years[35]. While consolidated figures are not available, EU mechanisms also provide considerable financial support to media.

177.   Despite this substantial level of investment, there are few institutional focal points (outside of the US) within key donor organisations attempting to make sense of media's role in development, let alone as an accountability mechanism.   The lack of an institutional home for these issues will continue to undermine efforts to better understand, measure, and strengthen the role of media as a domestic accountability mechanism.

Keeping pace with a shifting media landscape

178.   Social media and mobile technologies are increasingly shaping the way people interact with politics and represent an increasingly important accountability mechanism.   New information and communication technologies (ICT) have added channels and platforms for citizens to hold their government accountable.

179.   A more limited body of evidence exists on ICT (mostly focusing on European and American contexts), but given the pace of change, and the rate of internet/mobile proliferation in many developing economies, building an evidence base remains very much a work in progress.   However, a growing list of initiatives illustrates the possibilities and potentials of using social media and mobile technologies to increase domestic accountability.[36] Donors need to be aware that new technologies and mobile applications change the rules of the game completely and constantly.

Possible Strategic Principles

180.   Possible strategic principles on media assistance:

1. **Incorporate media assistance into larger framework of development aid**.   Access to information is crucial for domestic accountability.   Media institutions in particular provide tools and channels for accountability that can complement and enhance other accountability mechanisms, but also add new instruments that may be at least as powerful and efficient as accountability measures that are more commonly considered by donors.   Weak and/or highly constrained media undermine domestic accountability. The risk of not considering and supporting media as part of broader accountability programmes is significant.

2. **Incorporate media indicators and audits into governance diagnostics and needs analysis.**   The state of the media is inseparable from the state of governance in general.   For instance, the UNESCO standard media development indicators can usefully be incorporated into governance needs assessments to more effectively guide interventions aimed as improving media as an accountability mechanism.

3. **Cooperate with media development CSOs and determine media objectives and outcomes, not methodologies**.   Given a lack of specific expertise on media development within the majority of donor organisations and local media beneficiaries, there is a strong

---

[35]   These figures are indicative only: it is not clear what form communications spending or spending specifically earmarked as ODA for radio, television and print media actually takes, and there is no clear OECD definition of this area of support. Source: Funding for Media Development by Major Donors Outside the United States: http://cima.ned.org/sites/default/files/CIMA-Non-US_Funding_of_Media_Development.pdf.

[36] The Technology for Transparency Network initiative catalogues accountability projects that use mobile technology and social media as accountability tools (http://transparency.globalvoicesonline.org/).

argument for developing media support strategies and specific interventions in partnership with media development CSOs. Some donors are already taking this approach. Media development organisations, along with local partners, are often best positioned to assess context and needs and to develop effective interventions to address these. While there is a clear need to ensure that media strategies complement overarching accountability objectives, there is a strong argument for providing CSO implementers with substantial scope – and the ability to propose creative solutions – as opposed to highly prescriptive requirements.

4. **Focus on building public demand for inclusive policy dialogue**. The Accra Agenda for Action calls for 'broadening country-level policy dialogue on development. One concern is a paucity of 'evidence from which to systematically assess progress in implementing these commitments'. There is clear potential for media support that enables and fosters policy dialogue to contribute to this goal; research incorporated into such support can assist in building a body of evidence and understanding of effective strategies for stimulating policy dialogue.

5. **Support independent, sustainable, and capable local media in developing countries**. Local media in developing countries often enjoy significant reach and audience interest, but lack the resources, skills and support to better understand the needs of populations and effectively hold government to account. In supporting these organisations to better enact their watchdog role, donors can effectively enhance non-media accountability interventions, build people's demand for domestic accountability, and strengthen local media as an accountability institution.

6. **Foster ownership as a central component of support**. The nature of productive relationships between media and audiences is one that engenders a sense of ownership. Where people see media acting on their behalf and critically – enabling them to engage directly with issues and politicians – there exists a clear sense of trust and ownership of media programmes.

7. **Promote citizen access to media and mobile technologies as well as citizens' media literacy.** Media can be an effective accountability mechanism only if citizens are able to utilize them. This includes access to media products and infrastructure as well as the ability to make sense of information.

8. **Encourage links between media institutions and the rest of civil society**. Media and civil society organizations together can form a formidable coalition for accountability and good governance. Donors should consider joining support for several accountability mechanisms, including media support, in appropriate situations.

9. **Support systematic research on the effects of media and information access on domestic accountability**. As outlined in this discussion paper, empirical evidence on media effects on domestic accountability is available, but not integrated into a larger theoretical framework. Research, including monitoring and evaluation, should be part of any media support project, but should also be supported in its own right to advance our understanding of the role of media for domestic accountability in different political, economic, and social contexts.

10. **Learn about and harness new technologies**. Internet and mobile-focused support is not appropriate in all contexts. Needs analyses must properly assess media and communications environments to determine the most appropriate media platforms for supporting accountability. Where interventions do focus on new technologies, research should be incorporated to build a body of policy-relevant evidence to guide subsequent support.

CHAPTER 4. DRAFT PRINCIPLES ON PARLIAMENTARY ASSISTANCE

*These principles were prepared by Greg Power, Director, Global Partners & Associates for the OECD/DAC/GOVNET and presented to the **Fourth Annual Donor Coordination Meeting on Parliamentary Support** and the 16th Plenary Meeting of the OECD/DAC Network on Governance on 24-25 April 2012.*

181.   Parliaments perform a vital role in any system of representative democracy, but they play an especially important role in emerging democracies - not only in improving the quality of governance by ensuring transparency and accountability, but also playing a critical role in shaping the public's expectations and attitudes to democracy. Parliaments are the single most important institution in overseeing government activity, scrutinising legislation and representing the public's concerns to those in power. Their performance in holding government to account and engagement with voters will help to establish the norms and values in the early years of a democratic culture.

182.   Although traditionally a small part of international support programmes, donors have paid greater attention to the role of parliaments in the last decade or so. Most support programmes usually seek to improve the effectiveness of the institution in one of their three key functions:

   i.   **Legislation** - Assessment of the legislative function will be concerned with how well parliament scrutinises and amends bills, or simply acts as a rubber-stamp for the Executive;

   ii. **Oversight** - Parliamentary oversight is the main means by which government is held to account, parliaments should ensure government departments are run efficiently and that ministers are regularly called to account for their actions, policies and spending;

   iii. **Representation** - Parliament ultimately derives its legitimacy from its ability to represent and articulate public concern and programmes tend to concentrate on the 'representativeness' of parliament (that is how its make-up reflects wider society) and the extent to which MPs consult and engage with voters.

Parliaments and domestic accountability

183.   The overarching purpose of parliamentary oversight is to hold government to account. While governments are directly accountable to voters at elections, in between elections it is the duty of parliamentarians to hold ministers and their departments to account on the public's behalf. Within that broad function the Inter-Parliamentary Union's 'Tools for Parliamentary Oversight'[1] sets out four key functions of oversight. These can be summarised as follows:

   • Transparency and openness. Parliament should shed daylight on the operations of government. It provides a public arena in which government's policies and actions are debated, exposed to scrutiny and held up to public opinion.

   • Delivery. Parliamentary oversight should test whether the government's policies have been implemented, and whether they are having the desired impact.

- Value for money. Parliament needs to approve and scrutinise government spending. It should highlight waste within publicly-funded services, and aim to improve the economy, efficiency and effectiveness of government expenditure.

-

191.   Third, the *functional* approach is designed to improve MPs' ability to understand and perform their representative, legislative and oversight functions. Training and induction for MPs is a key feature of most support programmes and often is targeted at new members of parliament, covering aspects such as committee oversight, constituency service or legislative drafting and 3.3(g)of cy

12.g
ma0(ind)10.8(prbg)1279(l(m)18.8se)-03(.   FP)1452(i)-(er)878se t,uh tqiecdg0(li)798d 3d aaslyi ss dlbg)18.
l(y)12.4(
a0 hl (n
son(

prgy(ram88.1(m)19(es(m)19(i))136(gy)129(hh)2(be bse)11.1ttre)1119(d o)10.9sthe yaskhi(w)-68(hh)2cy th skhlls

15.g
irto
mnt,thvehopp(is(

ime
1
(i)7..8(s ofanh)1269alcyseis, whild(hv)12.6en inhrmhe (m)187(eanndan(de-)1098(m)187(odali)7..8tie)10.8s ofsu

political process. Alternatively, it may be that the rules are being misinterpreted or not followed, which would suggest a need to build a common understanding of procedure amongst staff and members through training and parliamentary publications.

- **Capacity and resources.** A lack of properly trained staff or enough resources is likely to have an impact across parliamentary functions. This may simply require the provision of resources such as books, ICT or basic infrastructure. But it is also likely to rest on staff development, either recruiting more staff or building the technical skills of staff in areas such as parliamentary procedure, legislative drafting and financial oversight. At a more strategic level, it may mean working with parliamentary authorities in the development of a staff career structure within the parliament so that staff have the incentive to stay within the institution.

- **Experience and expectations.** Where there is limited experience in the parliament (such as in a new democracy), a support programme may wish to build a parliamentary culture, common practice and acceptable standards of behaviour. This might include; the development of an induction programme for new MPs or other forms of training; the establishment of a code of conduct for politicians and staff and; drawing on international experience to identify effective scrutiny techniques. Working with MPs on such goals is likely to be most effective if built around specific policy concerns (e.g. how to improve parliamentary involvement in PRSPs) rather than abstract concepts of 'scrutiny'. Mentoring by, or discussion with, politicians from similar parliaments may generate a common understanding of parliamentary role and function.

- **Politics.** In many cases, especially where patron-client politics operates, certain interests are likely to dominate and distort parliamentary activity. Frequently, it is the governing party which will control the parliament. There may be a limited amount that parliamentary support projects can do in the short-term to address such deeply entrenched factors. However, they should seek to build opportunities, structures and incentives for politicians to act as 'parliamentarians', developing cross-party initiatives, rather than just as party politicians. For example, parliamentary committees provide the opportunity for MPs to work regularly across party boundaries, and to shape policy on that basis. Enhancing the impact and influence of committees may increase the desire of MPs to serve on them. But projects might also seek to loosen executive control over the parliamentary budget, key parliamentary appointments or the parliamentary timetable.[1]

198.   Two key points flow from this analysis. The first is that support to a parliament has to be suitable to its own specific circumstances. That is, it needs to work from the position of the parliament within the overall system of domestic accountability, as well as examining the parliament's internal procedures, resources and operation. Second, changes in behaviour cannot be enforced from the outside, they have to be owned by local partners. This means that the programme must start from a shared analysis of the challenges that the parliament faces. There must be some level of internal agreement within the parliament that it faces particular problems and, more importantly, that certain reforms or changes are the best way to rectify those problems. Programmes need to work with the incentive structures that exist within the parliament and gear them towards changes which strengthen the institution as a whole.

Principles for parliamentary assistance

199.   The following principles are neither exhaustive nor comprehensive, but provide a possible starting point for guidance on parliamentary support projects.

1.   **Integrate objectives.** Support to parliamentary institutions should be integrated with wider efforts to support domestic accountability. Given that parliaments could and should sit at the centre of a web of domestic accountability, the interaction between parliaments and other institutions should be a key feature of support programmes. Support programmes should seek to

increase the extent to which parliaments engage without outside institutions (such as the supreme audit institution), and ensure that other programmes designed to strengthen other mechanisms of accountability feed into, and strengthen the parliament.

2. **Institutional change should lead to behavioural change.** Ultimately, the effectiveness of the parliament will be determined by the behaviour of the individuals within it. The purpose of a support programme should ultimately be to change that behaviour so that parliamentarians understand their role in holding government to account, have the resources and capacity to use the relevant procedures effectively, but also have the incentive to perform their accountability function.

3. **Understand the parliament's incentive structures.** Many support programmes assume that all parliamentarians would like a stronger parliament and that donor assistance will inevitably be welcomed. This is rarely the case. A politician's attitude is likely to depend on a number of factors including party allegiance, whether their party is in government or opposition, whether it affects their chances of re-election, and how it impacts on their working conditions and pay. Support programmes need to understand the various incentive structures within a parliament, how they are currently shaping political behaviour and how they might be used to generate cross-party backing for the initiative.

4. **Don't ignore political parties.** One of the strongest influences on behaviour in parliament will be the political parties. However, fears of 'political interference' often discourage donors from engaging directly with parties. A stronger parliament will depend on politicians behaving as 'parliamentarians' rather than simply party representatives. But, to encourage a less partisan role, programmes will need to understand and work with the political parties in parliament. Programmes should provide them with the opportunities and incentives to engage on a cross-party basis, without compromising donor neutrality. Promoting inter-party dialogue outside the parliamentary limelight is also an option for donors to strengthen cooperation, trust and confidence between political parties across the political spectrum.

5. **Identify and address the causes of parliamentary weakness.** Programmes must be clear about the underlying causes of the parliament's underperformance. It may be immediately apparent that the parliament is poor at financial oversight, but support projects need to assess whether this is to do with the parliament's constitutional position, its procedures, resources, experience or political complexion. Most often, it is a combination of several factors. Even if projects cannot address all of them, they need to identify and understand them in order to have an impact.

6. **Ensuring parliamentarians own the problems - and their solution.** Local ownership is a key tenet of the Paris Principles, but is particularly significant in trying to foster political and behavioural change. Political change rests on the parliament recognising the benefits of adopting new patterns of behaviour and embedding them in the institutions, perhaps through rule changes or institutional reforms, so that they eventually become part of the accepted political culture. Given the complexity of getting change through a parliament, projects need a) a widespread concern that parliament is underperforming, b) cross-party agreement of the reasons for that weakness, and c) some internal consensus that the project's objectives are the best way to address those problems. As such, parliamentary support projects need to be developed in partnership with key interlocutors within the institution, often politicians and staff.

7. **The significance of gender in parliamentary performance.** The under-representation of women in political decision-making structures has implications at many levels. Evidence shows that more women in parliament not only affects the tone and culture of parliamentary debate, but also the range of issues that are debated. Support to parliamentary institutions should be conceived within this context. There are two distinct, but inter-related challenges. The first is to increase the number of women elected to national parliaments and promoting their influence within the institution. The second is to improve the impact of parliaments in developing policies

that take into account their effect on women and men, and seek to address the imbalances that exist.

8. **Design projects around outcomes rather than activities.** Critically, programmes should maintain a clear sense of what they are designed to achieve. Too often this obvious point is lost during the lifetime of a project. The initial analysis of a parliament might identify areas where support should effect change (for example, the improvement of financial scrutiny) and the means for delivering this (through the provision of training and support to MPs and staff, additional resources and the creation of a budget support office, etc.). But frequently process and outcomes are conflated, with donors measuring activities (e.g. the number of training sessions, existence of a budget office) instead of the impact they were originally designed to have. An outcome-driven approach would need a much greater degree of flexibility in the design and delivery of programmes, requiring co-ordinated interventions at different parts of the parliament, designed to achieve the same end.

9. **Set realistic objectives and a realistic timescale.** The conditions for achieving parliamentary change will vary between institutions, but donor-supported programmes need to work from the understanding that in most parliaments change will be haphazard and unpredictable, and that the interests of MPs will wax and wane over time. Parliaments are rarely amenable to neat designs or detailed reform plan, which means three implications for project design. First, they should not assume linear development – that is, that specific activities will inevitably result in particular outcomes. Second, that the scope for political change is often limited, and projects which seek discrete objectives will frequently be more effective than institution-wide reform. Third, political change happens slowly. At a Wilton Park conference in early 2010, one participant's comment resonated around the room when he begged the representative of a major donor organisation, "What we need", he said, "is less money and more time."

10. **Get the right indicators.** Once indicators are in place they tend to determine subsequent project activity – meaning that with the wrong indicators, projects do the wrong things. Project objectives may lend themselves partly to quantitative measures such as the number of bills passed, the number of committee reports published, the amount of public evidence compiled or the number of questions asked of ministers. However, these do not capture the quality of oversight or accountability. Much is likely to depend on a more thorough form of analysis which involves stakeholder perceptions of performance through interviews and opinion polling of the public, civil society, the media and special interest groups. This sort of monitoring and evaluation needs to be built in at project design stage, and should be a regular and on-going feature of parliamentary support programmes. In this perspective, peer-learning and south-south collaboration could be used as good mechanisms to directly involve stakeholders and build up owned evaluation processes and shared indicators.

11. **Timing within the electoral cycle.** The timing of any project will be a key determinant in its success. For example, the best point to establish new ways of working is immediately after an election. At this point there is likely to be a large number of new MPs, the committees will have a new complexion and the government ministries they monitor are also likely to have changed personnel. Induction programmes should aim to establish new patterns of working and reinforce key principles. By the same token, working with MPs just before an election is likely to have very little effect, as most will be thinking about their election campaign - and many will not return.

CHAPTER 5. DRAFT PRINCIPLES FOR INTERNATIONAL ENGAGEMENT IN SUPPORTING DEVELOPING COUNTRIES IN REVENUE MATTERS

> *These principles have been initiated by the OECD's Task Force on Tax and Development and drafted by the OECD's Tax and Development Secretariat. An initial draft was welcomed by GOVNET members involving the African Tax Administration Forum at a meeting in November 2011. Further drafts were well received by the* **Sub Group on State-building, Taxation and Aid in February 2012 and welcomed by the Task Force plenary in Cape Town in May 2012**. *The current iteration addresses comments at these events. The Task Force has also recognized the importance of testing and validating the principles in developing countries to ensure their relevance before seeking OECD Committee agreement. This set of principles is a living document and will undergo a process of validation before being endorsed by the Committee on Fiscal Affairs and the DAC in 2013.*

Preamble

200.   Revenue from taxation and customs provides governments with the funds needed to invest in development, relieve poverty and deliver public services directed toward the physical and social infrastructure required to enhance long term growth. Strengthening domestic resource mobilization is not just a question of raising revenue: it is also about designing a revenue system that promotes inclusiveness, encourages good governance, improves accountability of governments to their citizens, and cultivates

mobilisation and taxation. The track record is not poor but performance could be improved, not least to keep up with the rapidly evolving policy environment, changing needs and new players.

203.   These principles are meant to enable developing countries to benefit from the G-20 inspired era of transparency in international tax matters. They are anchored in the 2005 Paris Declaration on Aid Effectiveness, with its commitments to ownership, harmonisation, alignment, results and mutual accountability but focus specifically on revenue matters. Based on the experience of different countries and recent research, the purpose of the principles is two-fold: i) to offer guidance for international assistance providers - donor agencies, revenue authorities and finance departments - on how to approach revenue matters with developing countries, and ii) to provide a tool for developing countries on how to engage with international partners to maximize the effectiveness of assistance for revenue issues. They can inform the design of new projects and activities, and over time, be used to measure the changing behaviour of the main assistance providers and help them reflect on, and improve, their collective efforts to support domestic resource mobilisation in developing countries.

The Principles

Follow the leadership of government and coordinate at the country level

204.   Governments in developing countries are responsible for articulating their policy and administration needs with regards to mobilising domestic resources for development. For their part, international assistance providers should operate according to the Paris Declaration commitments of ownership and alignment, and follow the lead of partner country governments. International partners should collaborate to ensure that their support, including advice on tax policy, capacity development and training for revenue authorities and customs, is coordinated, delivered at the right time, appropriately sequenced and covers the various sources of revenue. International partners have the responsibility to organise their assistance in a harmonised way, with an agreed division of labour, using appropriate co-ordination and dialogue mechanisms at the country level.

Do no harm

205.   International partners are responsible for ensuring that their actions do not damage the revenue prospects of developing countries. Fundamentally, this involves supporting the independence of revenue authorities to operate in accordance with their country's legal framework. It also involves being sensitive to local conditions when providing support, particularly in situations where there is a notable imbalance between the revenue collected from taxpayers and the public services citizens expect. Most donors acknowledge political will as the essential determinant of revenue system reform and of whether outsiders can help. In practice, a smarter approach is needed to ensure that support for reformers is in line with political realities. Political economy analysis can help determine opportunities for change. For instance, when a country confronts a fiscal crisis or political transition, such analysis can help to understand whether public and/or political support for reform might crystallize or fragment. In extreme cases, there is a risk that aid may dampen the tax effort in highly aid dependent countries and distort accountability between governments and their citizens.

Take a 'whole of government' approach to maximize policy coherence and aid effectiveness

206.   Countries providing international assistance have a responsibility to work internally to ensure a coherent and coordinated approach to supporting developing countries in revenue matters. This 'whole-of-government' approach should involve regular coordination between development, revenue and finance officials to maximise policy coherence. The various ministries can coordinate efforts on a broad range of issues, from helping to deliver technical assistance for capacity building in developing countries (in

revenue authorities, tax policy and data analysis for example) through to assessing changes to their own policy (trade agreements for example) in light of the possible negative implications for developing countries, including any undue trade advantage. Ministries of Finance in particular can require nationally registered Multinational Enterprises operating in developing countries to improve transparency and fully comply with applicable tax laws; contribute to the debate on the impact that non co-operative jurisdictions have on developing countries; and agree to spontaneous information sharing in international tax fraud cases. In addition, to maximise aid effectiveness, donor agencies should avoid taking a supply-driven approach and respond with a flexible and complementary mix of short- and longer-term support (including technical assistance, policy dialogue, basket funds and general budget support) appropriate to each case. Regardless of the modality or modalities used, exit strategies should be in place and regularly reviewed.

Take account of international aspects of taxation

207.   The consequences of globalisation are creating new and complex international cross-border revenue challenges developing countries must respond to. These include the taxation of multinational enterprises, international tax evasion, illicit financial flows, and facilitating cross-border flows while managing the associated risks. At the country level, international assistance providers can build on a reasonably strong track record in supporting domestic tax policy and revenue administration in developing countries to help build capacity on international tax policy, transfer pricing and exchange of information. Supporting north-south and south-south cooperation, through regional organizations of revenue administrations such as ATAF and CIAT, can play a critical role in promoting the exchange of experience. At the international level, international providers should work with developing countries to enhance their participation in fora where international revenue matters, norms and standards are debated and agreed. In particular, they can support developing countries efforts to consider or join new instruments such as the Multilateral Convention on Mutual Administrative Assistance in Tax Matters which allows for exchange of tax information between countries and more broadly to prepare fdaom0.9ry

111(v)12 codevr(nipa)11(t)-22(le)10ecoun7i1(t)-2oun7i1(t)-28(re)s5(e)-0.bionavvital 17i1(t)-2oun7i1(t)-28.3(s)-1.(le)1(

reporting by Multinational Enterprises can also help to improve tax compliance. For the sake of coherence, donor governments should be transparent in the technical assistance they provide to developing countries and move to make the exemptions they claim on aid funded goods and services fully transparent, in line with the 2011 Busan Partnership for Effective Development Co-operation.

Strengthen revenue and expenditure linkages

210.   International assistance providers can reinforce the linkages between the revenue and expenditure sides of the public finance equation, strengthening accountability and policy dialogue. While the primary purpose of revenue collection is to fund the activities of government, especially those in pursuit of economic and social development objectives, the revenue and expenditure sides of the public finance equation are often treated separately. International assistance providers can promote linkages between the two by, for example, challenging corrupt practices, linking support in the revenue area with other Public Financial Management reforms, reinforcing the role of audit institutions, bolstering parliamentary scrutiny over both revenue and expenditures and supporting non-state actors to monitor the effective use of public revenues. Given increasing decentralisation in many countries, recognising the respective responsibilities and revenue sources available to national and sub-national governments is important in this regard. In addition, international assistance missions can provide analysis of the distributional effects of tax and spending reforms, highlighting how they achieve multiple objectives (including fiscal and poverty reduction), and encourage the communication of the impacts of such reforms.

Promote sustainability in revenue collection systems

211.   International support can play an important role in building sustainable national revenue systems in developing countries. Efforts to ensure sustainability start with careful consideration of the main sources of revenue available (natural resources, personal income tax and customs revenue, for example) and their respective weights in order to help strike a sustainable balance between revenue collection and public expenditures. In countries where revenue largely depends on taxation of personal income, factors that build taxpayer confidence and compliance such as the quality of service delivery and governance are particularly important. In countries with significant natural resources, international partners can encourage the sustainable tax treatment of such resources while encouraging good governance and social investments that build a relationship with citizens. In general, diversified, broad-based revenue systems linked to counter-cyclical fiscal policy better adapt to the volatility of revenue. International partners can also help make the links between taxation and broader issues of sustainability by considering environmental issues in national revenue systems for example.

Encourage broad-based dialogue on revenue matters that includes civil society, business, and other stakeholders

212.   Combined local, national and global actions are critical to progress on revenue matters. Most international partner interventions focus, sometimes exclusively, on capacity building efforts in revenue administrations in developing countries. This is important work but some donors are well placed to engage other stakeholders in their efforts to participate in tax dialogue, to monitor the operations of revenue authorities, and to hold governments to account for their revenue and expenditure policies. Actions to support parliaments, civil society, labour unions, media, and business associations at the national and, given increasing decentralisation, sub-national levels, can for example, complement the efforts made to build revenue capacity. Such actions can strengthen the policy dialogue on domestic resource mobilisation and build broad coalitions for reform.

Measure progress and build the knowledge base on revenue matters

213.   Measuring progress on revenue matters is in the interest of all stakeholders. For developing countries this is to assess the effectiveness of their efforts and investments while international assistance providers need to demonstrate results from their own assistance efforts. Developing countries should lead the development of country specific indicators for measuring progress with the support of development partners, including regional organisations. Although tax/GDP provides a valuable indicator to measure overall progress over time, there is a need to look to other indicators. Indicators relating to the tax effort; compliance; progressivity; ease of doing business, poverty reduction and perceptions of ordinary tax players – all measure different aspects of revenue progress and permit both developing countries and international partners to move beyond narrow revenue collection targets towards other governance and social objectives. The development and use of harmonised diagnostic and monitoring tools should be

Insights from Mali: Improving Accountability Support in Education and Decentralization processes.

218.   The Mali case study focused on aid and accountability in the budget cycle, and decentralisation process and delivery of education services. The study found that for the most part, many opportunities for linking up accountability institutions are lost. Donors continue to provide targeted support to specific institutions, rather than grouping accountability actors and strengthening what could be called "communities" of accountability. There is a lack of understanding about what accountability means, and the different roles and responsibilities of state and non-state actors in the accountability landscape. As a result, the impact chain is still unclear and monitoring of accountability is difficult to grasp. This is particularly poignant in Mali, where informal accountability actors and traditional norms are particularly strong, silently shaping power structures and behaviours. Although there is still room for improvement, Mali offers innovation and important lessons about how development partners can foster co-ordination and partnership among different accountability actors. Key recommendations include:

- *Building citizen demand in the decentralisation process through a long term transformational view,* bringing together civil society, communal authorities, local state services and Regional Assemblies. Yet, empowering citizens in the decision-making process require a long-term, context-sensitive approach and consideration for traditional, cultural environment that will inevitably shape Mali's governance system.

- *Mix top-down and bottom-up approaches***:** donors should continue to use a bottom up approach to develop capacity and foster trust between citizens and elected officials at the local level. At the same time, it is important for donors to work at the centre and national level where ministries develop policies and where the legal framework can be influenced to create a more enabling environment for accountability.

- *Linking and mixing aid modalities***:** there is a clear role for budget support in Mali, when structured with disbursement indicators that target accountability practices. Budget support, however, has its limitations and is not adequate for building capacity and institutional change which is better served by project aid and technical assistance.

- *Improve national financial systems rather than by-pass them***:** the introduction by donors of special procedures to ensure adequate financial management of Agence Nationale d"investissement des Collectivités Territorial (ANICT) disbursements weakens internal accountability. Instead of asking Government to use exceptional budget procedures, donors should look to strengthen the financial systems and institutions believed to be the weak points in the programming and expenditure chains.

- *Review monitoring and evaluation systems to integrate measures of accountability***:** Public perception surveys for example can be an important source of information to measure the demand side of accountability and the responsiveness of public services. The PGP"s local governance capacity index also offers a participatory score card for citizens and local councilors to discuss performance of local government against a clear set of criteria with concrete indicators. The results help develop a common vision of success, inform capacity development needs and help setting an action.

- *Open a dialogue and information access on institutional framework for domestic accountability*: Mali has numerous external accountability institutions, but their roles, responsibilities and linkages are at times unclear. This poses problems for enforceability of anti-corruption measures and accountability concerns despite efforts from the governments to make information public and available.

- *Assess and take stock of accountability mechanisms legally mandated in order to better use them*: Spaces of accountability like the city hall audit sessions in the Collectivités territoriales do exist but suffer from a low level of participation, in particular from CSOs; Taking stock of all legal texts would allow CSOs to better target their advocacy for and control of public action.

Insights from Mozambique: Improving Accountability Support in Budget Processes and Health

219.   The research in this case study was dedicated to accountability issues in the budget cycle and health sector. Like many countries with a high dependence on foreign aid, there are concerns that the government's accountability to its donors trumps its responsibility to domestic stakeholders. Trust, political pluralism and inclusiveness are gradually eroding, with past elections giving rise to violent conflict. In addition, the distinction between state and party is not always clear, raising perceptions of political discrimination within the civil service. Analysts are concerned that the space for political dialogue is usurped by donors' increasing role in sector-based working groups and general budget support (GBS) reviews. Donors need to recognise the impact of GBS on the country's political economy and work towards transforming the aid dialogue into a unique platform to bring civil society and parliamentarians to challenge policies and hold government to account. Key recommendations include:

- *Performance assessment frameworks need to be balanced* between donors and governments, and be extended beyond PAPs and include vertical funds and non-DAC donors. This requires changes in the behaviours and practices of international partners and increased confidence and capacity within government to use PAFs and to lead on aid coordination.

- *Parliament and civil society need to be empowered* to participate in the aid dialogue and play more important roles in calling both government and donors to account. For example, donors should provide civil society organisations with aid modalities and grant mechanisms that enable them to fulfill their accountability roles and optimise their place and specific functions in Mozambican society.

- *Donors need to recognise the power and political dimensions of each aid modality*. GBS has a significant impact on the state's ability to respond to citizen needs but is not the only aid modality available to be used. Understanding patronage systems within the state structure could help donors shape their country programmes and balance the accountability impacts of each aid modality.

- *Greater support is needed to strengthen how information is provided, analysed and acted upon*. In Mozambique, local councils are an important mechanism for transparency, but they require more support to provide citizens with accessible and absorbable information on local services, plans and budgets. By working with local councils and assemblies, civil society organisations could help citizens access more information and improve the flow of questions and answers between them and the government.

- *Mozambique's numerous dialogue and consultation platforms could be strengthened into accountability mechanisms* that help build trust and common understanding between state representatives, local government officials, parliamentarians and citizens. The Development Observatories, for example, could be strengthened into accountability structures with clear rules for engagement between state and non-state actors so that government not only consults but also responds to citizens.

- *The country needs a more level playing field for political parties*. This may require more political dialogue and programmes to support political parties. In addition, the separation of party and state is an important part of an accountability system. The APR review notes that recruitment in the public sector needs to be more merit-based and apolitical (APR 2009).

- *Civil society organisations need to engage with government and stop working on siloed and isolated projects* which increase the risk of duplication. By developing more cooperation and more aligned action plans, civil society organisations could increase their impact as accountability actors and promote a more critical and constructive dialogue.

Insights from Peru: Improving Accountability Support in Budgeting and Child Nutrition

220.   The Peru case study examined the role of donors in promoting domestic accountability through the budget cycle and the health sector. Peru benefits from having strong laws and mechanisms in place to support accountability, including its Transparency and Access to Information (TAI) laws, participatory spaces and a strong Defensoría (Ombudsperson). But these institutions have had limited success in practice, particularly at the local level. The majority of donor support focuses on activities such as helping public agencies publish more information on their websites (and thus comply with the TAI), but do little to combat local-level realities. Donors have had success in using reporting and procurement mechanisms to generate a culture of accountability and in supporting domestic reform movements and reform-minded state actors. Future challenges include respecting the decentralisation process in the selection of partners and working through country systems. Key recommendations include:

- *Move beyond one-actor support and increase the system-wide approaches some donors are already implementing*. Use leverage with state actors to encourage a better engagement of the state with its citizens. In particular, improve support to how state entities respond to recommendations made by the two control entities, the Defensoría and the Contraloría.

- *Expand support for missing actors, especially as part of a systemic approach.* On the state side, support to Congress should be increased, especially as part of a greater focus on horizontal accountability. Civil society and the media are also under-supported. Overall a greater emphasis on the demand-side is needed. Consider harmonization to be not only about coordination between donors but also about coordination between donors and other state and civil society actors. Identify domestic actors already engaged in change practices and use donor leveraging, capacity and resources to increase their success.

- *Focus energies not only on how laws are written but also on how laws are implemented, especially at the decentralized level.* This includes recognizing the great diversity in terms of language, culture, and access that exists between one community and another, and encouraging state actors to do the same. Increase a focus on developing citizenship and combating political apathy as important foundations upon which later accountability work will have a greater chance of success. Overall, focus more on "enforceability".

- *Respect the decentralization process* and the areas of responsibility of different government levels when choosing partnerships with state actors. Continue to coordinate with the national level but enter into direct relationships with regional and local actors, recognizing the areas in which they have autonomy to operate and the control they should exercise over decision-making within their locality.

- *Improve donor coordination in terms of the specific area of accountability*. The Peru case shows relatively high donor coordination at the sector level, but little coordination around the specific issue of accountability. Donors seem to treat accountability as a transversal issue, but this requires more donor coordination mechanisms and strategic impetus if it is to have a real impact on accountability.

- *Promote the continued use of alternative donor modalities, like Basket Funding and Direct Budget Support*. In the Basket Funding case, heightened donor coordination is improving the impact of donor support to promote the work of a key accountability institution. In the direct budget support example, the specific accountability mechanisms that were established, such as

the regulations around the transfer of funds, seem to be responsible for the modality"s ability to promote accountability. The funding is also widely seen as providing an "extra" to reform-minded state actors who are pushing for accountability on their own.

- ***Recognize the growing role of private firms as development actors and incorporate these actors into coordination mechanisms***. Expanding on the use of donor-private sector partnerships is one harmonization option. Similarly, NGOs receiving private foundation funding are also very prevalent in Peru and should also be included in harmonization efforts.

Insights from Uganda: Improving Accountability Support in Budget Processes and Service Delivery

221.   This study explored aid and accountability issues in the health sector and budget process. Findings suggest that accountability does work as a system around budget processes and service delivery. Without attention to the way in which the system functions as a whole, support that targets only a single actor can unbalance the system. For budget processes and the health sector alike, significant improvements were

General (OAG), the Ministry of Finance, Planning and Economic Development (MoFPED), the Public Accounts Committee in Parliament, and with CSOs. Adopting a systems-approach does not, however, necessarily mean providing support in a single, unified programme but rather ensuring a systems-wide analysis and then supporting links between actors and areas of support, where feasible. Transparency and a c c e s s t o i n f o r m a t i o n i n c l u d e :

- ***Conducting a "systems w1ee analysis"*** as a first step to have a more realistic understanding of the existing "reform space" for key aspect of accountability, including the role of donors and aid flows. Looking at accountability actors dynamics and links would allow to better engage w1th the country context and the incentives at work instead of approaching reform w1th fixed, ideal models. Understanding how aid flows and modalities can shape and weaken citizen-states relationships notably by excluding to some extent a strong fiscal contract, is crucial.

- ***Understanding the diversity of budget aid and its implications for domestic accountability is key.*** There is an increasing diversity in forms of both on-budget and off-budget aid. Particular challenges, especially in the health sector, are posed by high levels of off-budget aid. One possible solution is to require donor support for recurrent expenditures on service delivery inputs (which are particularly problematic if provided intermittently) to be funded through either General Budget Support or Sector Budget Support. Project support would then be channelled towards one-off expenditures such as the initial construction (though not recurrent maintenance) of infrastructure. This would pragmatically work with some of the constraints posed by volatile aid flows, in a context where project aid is likely to continue to be an important part of the aid landscape.

- ***Foster collaboration and coordination between donors, governmental institutions, accountability actors*** including political parties, the media and CSOs but also professional accountability actors as well as private institutions to strengthen reporting processes, availability and good budget information with the Parliamentary Budget Office.

- ***Refocus support so that it does not incentivise the "projectisation of accountability",*** but rather treats it as a process in which multiple actors need to interact. Donor support could be tailored to encourage collaboration and address tendencies towards competition between actors, in particular among CSOs. This could be addressed through changes to funding modalities and support to develop common standards and approaches to monitoring.

BIBLIOGRAPHY

Bjorkman, M and Svensson, J (2009) Power to the People: Evidence from a Randomised Field Experiment on Community-based Monitoring in Uganda, Quarterly Journal of Economics, Vol 124 No2, pp735-69

Blankenberg, F. (2007) Taking responsibility and demanding rights: Accountability in service delivery, Dutch Ministry of Foreign Affairs

Bolnick, B with Hadler, S, Nathan Associates Inc (2011) Appropriate Aid Modalities for Supporting Tax Systems

Booth, D and Golooba Mutebi, F (2009) Aiding Economic Growth in Africa – The Political Economy of Roads Reform in Uganda, ODI Working Paper 307

Booth (2010) APPP Working Paper 13, Towards a theory of local governance and public goods' provision in sub-Saharan Africa, Africa Power and Politics Programme/ODI

Booth, D. (2011) Governance for development in Africa: building on what works, Policy brief 1, Africa Power and Politics, http://www.institutions-africa.org/filestream/20110406-appp-policy-brief-01-governance-for-development-in-africa-building-on-what-works-by-david-booth-april-2011

Bräutigam, D., Fjeldstad, O. H. and Moore, M. (2008) Taxation and State Building in Developing Countries: Capacity and Consent, Cambridge University Press: Cambridge

Bräutigam, D. (2000) Aid Dependence and Governance, Expert Group on Development Issues (EGDI)

Carlitz, R (2010) Review of Impact and Effectiveness of Transparency and Accountability Initiatives: Annex 2 – Budget Processes, Prepared for the Transparency and Accountability Initiative Workshop, Oct 14-15, Institute for Development Studies

Carothers, T (2006) Confronting the Weakest Link: Aiding Political Parties in New Democracies, New York: Carnegie Endowment for International Peace

Centre for the Future State (2010) An Upside Down View of Governance, Brighton: Institute of Development Studies

Collaborative Africa Budget Reform Initiative (2009) Putting Aid on Budget – Using Country Budget Systems. Good Practice Note. Pretoria: CABRI

Collinson, S (2003) http://www.odi.org.uk/resources/download/241.pdf

Claasen M. and Alpín-Lardiés, C. (Eds) (2010) Social Accountability in Africa: Practitioners' Experiences and Lessons. Cape Town: IDASA/ANSA Africa.

Crook, Richard C. and Alan S. Sverrisson (2003) 'Does Decentralization Contribute to Poverty Reduction? Surveying the Evidence' in P.P. Houtzager and M. Moore (eds.) *Changing Paths: International Development and the New Politics of Inclusion*. Ann Arbor: University of Michigan Press: 233-259.

Crook, Richard Charles and James Manor (1998) *Democracy and Decentralisation in South Asia and West Africa: Participation, Accountability and Performance.* Cambridge: Cambridge University Press.

Domingo, Pilar, Wild, Leni, Hudson, Alan, Wathne, Cecilie (2009) Domestic and Mutual Accountability for Aid: Building stronger synergies - Literature Review and Conceptual Framework, ODI

Eaton, K., Kaiser, K. and Smoke, P. (2010) The Political Economy of Decentralization Reforms. Washington DC: The World Bank.

Eldon, J. and Gunby, D. (2009) States in development: State building and service delivery, Draft Report for DFID

Eberlei, W. and Henn, H. (2003) Parliaments in sub-Saharan Africa: Actors in poverty reduction? GTZ/Canadian Parliamentary Centre

Fritz, V., K. Kaiser and B. Levy (2009) Problem Driven Governance and Political Economy Analysis: Good Practice Framework. Washington DC: World Bank

Fox, J. (2007) 'The uncertain relationship between transparency and accountability', Development in Practice 17. 4-5: 663-671

Goetz, Anne-Marie (2006) Gender and Accountability: Challenges for Reform in Developing States, The Boston Consortium on Gender, Security and Human Rights

Goldfrank, B (2006) Lessons from Latin American Experience in Participatory Budgeting, Presentation at the Latin American Studies Association Meeting, San Juan, Puerto Rico

Golooba-Mutebi, F (2005) When Popular Participation Won't Improve Service Provision: Primary Health Care in Uganda, Development Policy Review, 23 (2): 165-182

Government of Rwanda (2010) Kigali Statement of Action (KSA) of Ninth Biennial Government of Rwanda and Development Partners Meeting, 4-5th November 2010, Kigali, Rwanda, Endorsed on 5th November, please see here for more information: http://www.aidtransparency.net/news/rwanda-enhancing-transparency-and-mutual-accountability-through-donor-performance-assessment-framework-dpaf

Grindle, Merilee (2010) Good Enough Governance Revisited, Development Policy Review 29 (s1): pp s199-s221

Grindle, Merilee (2002) Despite the Odds: The Political Economy of Social Sector Reform in Latin America in Abel, C, Lewis, CM (eds.) Exclusion and Engagement: Social Policy in Latin America, Institute of Latin America Studies: London

Grindle, M (2004) Despite the Odds: The Contentious Politics of Education Reform, Princeton University Press: Princeton, New Jersey

Harris, Daniel and Wild, Leni with Kizza, Diana (2010) Aid and accountability in Uganda: Lessons from the health sector, ODI

Hubbard, P. (2007) 'Putting the Power of Transparency in Context: Information's Role in Reducing Corruption in Uganda's Education Sector.' Working Paper Number 136. Washington, DC: Center for Global Development. Available at http://www.cgdev.org/content/publications/detail/15050/

Hudson, A, GOVNET (2009) Background Paper for the Launch of the Workstream on Aid and Domestic Accountability, OECD DAC GOVNET. Paris: OECD

Humphreys, M, Weinstein, J (2010) Policing Politicians: Citizen Empowerment and Political Accountability in Uganda, Columbia University, www.columbia.edu/~mh2245/papers1/scorecard2010.pdf

International Budget Partnership (2010a) Open Budget Index 2010: Uganda Country Report. Washington, DC: International Budget Partnership - Center on Budget and Policy Priorities. Available online at: www.internationalbudget.org

Irish Aid (2008) Good governance, aid modalities and poverty reduction, From better practice to better theory, The Advisory Board for Irish Aid

Joshi, A (2010) Review of Impact and Effectiveness of Transparency and Accountability Initiatives: Annex 1 – Service Delivery, Prepared for the Transparency and Accountability Initiative Workshop, Oct 14-15, Institute for Development Studies

Kelsall, T (2011) Going with the Grain in African Development? Development Policy Review, Vol 29: S1, S223-S259

Killick, T. (2004) The democratic deficit and the politics of Ghana's budgetary system

Kuteesa, F, Tumusiime-Mutebile, E, Whitworth, A, Williamson, T (ed.) (2009) Uganda's Economic Reforms: Insider Accounts. Oxford: Oxford University Press

Langdon, S. and Draman, R. (2005) PRSPs in Africa: Parliaments and economic policy performance, GTZ/Canadian Parliamentary Centre

Mainwaring, S. 2003. "Introduction: Democratic Accountability in Latin America." In S. Mainwaring and C. Welna eds. Democratic Accountability in Latin America. Oxford: Oxford University Press.

McGee, Rosemary & John Gaventa with contributions from Greg Barrett, Richard Calland, Ruth Carlitz, Anuradha Joshi and Andrés Mejía Acosta (2010) Review of Impact and Effectiveness of Transparency and Accountability Initiatives: Synthesis Report, Prepared for the Transparency and Accountability Initiative Workshop, October 14 – 15, 2010, Institute of Development Studies

McGee, R (2010) Review of Impact and Effectiveness of Transparency and Accountability Initiatives, Annex 5: Aid Transparency, Prepared for the Transparency and Accountability Initiative Workshop, Oct 14-15, Institute for Development Studies

Moon, S, Williamson, T (2009) Greater Aid Transparency: Crucial for Aid Effectiveness, Project Briefing 35. London: ODI

Moore, M. (2007) 'How Does Taxation Affect the Quality of Governance?' IDS Working Paper 280. Brighton: IDS

Moore, M., A. Schmidt and S. Unsworth (2009) 'Assuring Our Common Future in a Globalised World: The Global Context of Conflict and State Fragility', DFID background paper for the 2009 White Paper 'Securing our Common Future', London: Department for International Development

Mulley, Sarah (2010) Transparency and Accountability Initiative, New Frontiers: Aid and Donor Finance, ippr

Newell, P. and Wheeler, J., (2006) 'Taking Accountability into Account', in Rights, Resources and the Politics of Accountability, Zed Books: London

OECD DAC (2011) Supporting Statebuilding in Situations of Conflict and Fragility: Policy Guidance

OECD DAC (forthcoming 2012) Donor support to domestic accountability: Budget processes and service delivery in Uganda

OECD DAC (forthcoming 2012) Donor support to domestic accountability: Budget processes and service delivery in Mali

OECD DAC (2 forthcoming 2012) Donor support to domestic accountability: Budget processes and service delivery in Peru

OECD DAC (forthcoming 2012) Donor support to domestic accountability: Budget processes and service delivery in Mozambique

Ostrom, E., C. Gibson, S. Shivakumar and K. Andersson (2001) 'Aid, Incentives, and Sustainability: An Institutional Analysis of Development Cooperation', Sida Studies in Evaluation 02/01, Stockholm: SIDA

Pawson, R. and N. Tilley (1997) Realistic Evaluation, London: Sage

Phillips, L (2006) Assessing governance: How can political risk analysis help? Opinion, Overseas Development Institute: London, http://www.odi.org.uk/resources/download/518.pdf

Power, G (2008) Donor support to parliaments and political parties: An analysis prepared for DANIDA, London: Global Partners and Associates

Prichard/GOVNET (2010) Citizen-State Relations - Improving governance through tax reform, OECD: Paris

Pritchett, L, Woolcock, M and Andrews, A (2010) Capability Traps? The Mechanisms of Persistent Implementation Failure, Working Paper 234, Centre for Global Development: Washington

Rakner, Lise, Luke Mukubvu, Naomi Ngwira, Kimberly Smiddy and Aaron Schneider (2004) The budget as theatre - the formal and informal institutional makins of the budget process in Malawi. Final report Bergen: Chr. Michelsen Institute

Robinson, M (2006) Budget analysis and policy advocacy: The role of non-governmental public action, IDS working paper 279, Institute of Development Studies

Rocha Menocal, A and Sharma, B (2008) Joint Evaluation of Citizen's Voice and Accountability: Synthesis Report, London: DFID

Schedler, A,, Diamond, L. et al (eds.) (1999) The self-restraining state: Power and accountability in new democracies, Lynne Rienner: London da Silva Francisco 2007

Steer L, C Wathne and R Driscoll. (2009). Mutual accountability at the country level: a concept and emerging good practice paper. Centre for Aid and Public Expenditure. Overseas Development Institute, London

Sundet, G (2008) Following the money: do Public Expenditure Tracking Surveys matter? U4 ISSUE 2008:8, Anti-Corruption Resource Centre, CMI

Tsekpo, A, Hudson, A (2009) Parliamentary Strengthening and the Paris Principles: Uganda case study, London: ODI

VNG International/African Studies Centre (2011a) Domestic Accountability at the Local Level Inventory Study – Country Case Study Report (Tanzania)

VNG International/African Studies Centre (2011b) Domestic Accountability at the Local Level Inventory Study – Country Case Study Report (Benin)

Williamson, T (2008) Putting Aid On Budget: A Case Study of Uganda, A Study for the Collaborative Africa Budget Reform Initiative (CABRI) and the Strategic Partnership with Africa (SPA), Mokoro Ltd

Williamson, T, Dom, C (2010) Sector Budget Support in Practice – Synthesis Report, London: ODI/Mokoro.

Wild, Leni, Foresti, Marta, Domingo, Pilar (2011) International assistance to political party and party system development: Synthesis Report, ODI

Wild, Leni, Foresti, Marta (2011) Putting Politics into Practice – reference TBC (Pogo report)

Wild, Leni, Harris, Daniel (2011) Beyond the ballot box: building bridges between citizens and the state, ODI Opinion, February http://www.odi.org.uk/resources/download/5487.pdf

Wild, L. and Golooba-Mutebi, F. (2010) 'Review of international assistance to political party and party system development - Case study report: Uganda'. London: ODI

Wood, B; Kabell, D; Sagasti, F; Muwanga, N. Synthesis Report on the First Phase of the Evaluation of the Implementation of the Paris Declaration, Copenhagen, July 2008

Wood, B; Betts, J; Etta, F; Gayfer, J; Kabell, D; Ngwira, N; Sagasti, F; Samaranayake, M. The Evaluation of the Paris Declaration, Final Report, Copenhagen, May 2011

World Bank (2004) World Development Report: Services Work for Poor People, World Bank: Washington DC

World Bank (2010) Problem-Driven Governance and Political Economy Analysis, Good Practice Framework, Washington, DC: World Bank

World Bank (2011) World Development Report: Conflict, Security and Development, World Bank: Washington DC