

By: Ruerd Ruben

New architecture for international cooperation: ownership, effectiveness and accountability

Recent changes in institutional structures for international cooperation give rise to a important new questions regarding ownership, mutual accountability, coordination and effectiveness of different agents involved in development policies and programs. Whereas development cooperation has long be considered from a supply chain perspective, attention is increasingly shifting to demand-driven operations linked to local stakeholder networks. Coordination and harmonization of actions between the wide range of public, voluntary and private agents is generally accepted as a vital element for enhancing aid effectiveness required for reaching the MDGs.

New funding mechanisms for bilateral and multilateral programs increasingly shift the focus of responsibilities for accountability and pro-poor effectiveness of development programs towards Southern governments and civil society/grassroots organisations. This may also ask for changes in the partnership networks, funding relationships and knowledge exchange procedures that enable Southern organisations to exercise genuine power and ownership over the allocation of resources, the priorities of development programming and the final results of the development activities.

Institutional framework

The institutional framework for international cooperation is experiencing important changes, both at the Northern side (i.e. private initiatives; public-private partnerships) and at the Southern side (i.e. basket funding programs; sector-wide approaches; proliferation of local agencies). The traditional domain of non-governmental (voluntary) agencies in between state and market is subject to modification, given the recognition that cooperation with both public and private agents is required for effective poverty targeting.

In addition, the scope for activities undertaken by Southern CSOs/NGOs has been considerably widened, particularly due to policies of privatisation and decentralisation. Their relationships with Northern partners are also modified due to stronger organizational capacities and alliance networks. Moreover, their political role for strengthening civic participation and active citizenship is sometimes challenged by unclear governance and accountability mechanisms.

Recent analyses regarding the implicit incentive structure in international cooperation programs indicate that long chains of multiple donor-agent relationships are likely to result in perverse behaviour (i.e. corruption or misuse). Considering differences in the type of countries and the character of activities, clear ownership rules together with organizational learning are considered key aspects for producing sustainable results. This implies that dovetailing different aid networks at beneficiary level requires a common understanding of the underlying problem, a clear identification of the comparative advantage of different donors, and - above all – unequivocal ownership on the planning, implementation and monitoring/evaluation of development activities.

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Aid Effectiveness

Development cooperation has made a useful shift from input financing to output delivery. Donor agencies also consider aid effectiveness as an important argument in the public debate concerning the rationale for development cooperation. While recognizing the non-linear nature of many societal change processes, monitoring progress (or lack of progress) are important elements for collective learning and thus permit upscaling or timely adjustment of development programs.

Measurement procedures for assessing aid effectiveness at macro (country) level are highly debated, but a well-established framework for micro-level impact analysis is readily available. Key programs (not each separate project!) need to include a base-level measurement and a suitable control group for matching analysis. The particularities of NGO programs are best captured by including changes in attitudes and behavioural indicators (e.g. bargaining power, risk behaviour and gender roles, etc). in addition to common welfare impact. Debates on attribution are largely artificial, since results can be considered proportional to the contribution of different donors.

Accountability

Information of aid effectiveness and impact should be available to all agents involved in development programs (and, at aggregate level, to the general public). In the past, most attention has been given to upwards accountability towards donor agencies within the framework of fiscal reporting. Downwards accountability towards local agents received more attention as a key element for reinforcing ownership. With increasing reliance on budget support, civil society organizations have an important role in forcing governments towards transparency regarding resources and results.

Recent discussions emphasize the importance of 'balanced' accountability, implying that partnerships rely on a framework of mutual obligations and concerns. This refers both to public agencies (in relationship to their citizens) and to civil society organizations (that need to clarify their underlying constituency). In post-conflict situations and in many fragile states, reinforcing such relationships is an important component of the initial pathway towards democracy and development.

Main tendencies

Ownership, accountability and effectiveness are three related aspects of a more general debate on the changing roles and responsibilities between (a) different types of funding agencies, and (b) Northern and Southern agents. Most important general tendencies in the aid architecture that have taken place refer to:

relative reduction of development cooperation as part of total resource flows (and increasing importance of foreign direct investments and remittances); growing South-South investments from countries like China, Brazil, South Africa and India;

prominent shift towards budget support and basket funding, giving greater authority and autonomy to Southern public agencies;

greater involvement of the private sector, both by public and NGO agencies;

entrance of new players, both large specialised corporate foundations (mainly in USA) as well as a large number of small private initiatives (mainly in Europe);

emerging capacities and growing independence of Southern NGOs

Dilemmas for NGOs/CSOs

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Given the before-mentioned shifts in the organisation and management of international cooperation programs and the increased attention for ownership, effectiveness and accountability, CSOs/NGOs are likely to face five key dilemma's:

1. NGOs/CSOs might prefer to maintain their own identify or chose to share responsibilities with other (public or private) agencies in joint development programs.
2. NGOs/CSOs could exercise multiple roles (e.g. working at both local level and exercising political pressure at global level) or specialize in certain specific activity areas where most expertise is available.
3. NGOs/CSOs tend to focus in development programs on reinforcing local ownership and participation, whereas impact assessment requires more detailed insights in the derived real benefits for poverty alleviation.
4. NGOs/CSOs could embark either into low risk – low impact activities or otherwise might engage into high risk – high impact activities (particularly in fragile states).
5. NGOS/CSOs effectiveness could be based on the delivery of direct tangible benefits, while their impact is better assessed in terms of long-term behavioural and attitudinal changes.

The general question for the Dutch policy dialogue refers to the most appropriate institutional organisation of the interfaces between Northern and Southern NGOs that could best guarantee that optimal choices are made for addressing these dilemmas in particular country settings.

Issues for Further Debate

Recent and upcoming changes in the aid architecture invite to a new discussion on the relationships between ownership, effectiveness and accountability in development cooperation programs. Main issues in this debate refer to:

How could NGOs and donor agencies - independently and jointly - contribute to reinforcing both the legitimacy and the effectiveness of development programs?

What options are available to enhance collective learning about the effectiveness and impact of development programs (also addressing the comparative performance of bilateral, multilateral and civi-lateral programs)?

How could accountability be unleashed as a key force for shaping ownership and demand-driven development programs?

Further reading

Gibson, C.C., K. Andersson, E. Ostrom & S. Shivakumar (2005). *The Samaritan's Dilemma: The political economy of development aid*. Oxford: Oxford University Press.

Jordan, L. & P. van Tuyl, eds. (2006). *NGO Accountability: Politics, Principles and Innovations*. London: Earthscan.

Wallace, T. with L. Bornstein and J. Chapman (2006). *The Aid Chain: Coercion and Commitment in Development NGOs*. Warwickshire: ITDG.

**By: Jan Bouke
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Oxfam Novib

A reaction to “new Architecture for international co-operation: ownership, effectiveness and accountability”

By Jan Bouke Wijbrandi, Campaigns Director of Oxfam Novib

In his paper Ruben makes a number of relevant statements on accountability (for instance the need for more downward accountability, more balanced accountability) and on aid effectiveness (the non-linear nature of many societal change processes). I agree with this and will also get back to it later. However, three major elements are lacking:

1. The recognition that the accountability and aid effectiveness discussion has become a very technical discussion, whilst much more attention should go to accountability as a political issue and concept.
2. The word “aid” is not a good reflection of what civil society stands for and works on, and as a consequence the debate about accountability and aid effectiveness is restricted too much to the donor-recipient financial relationship.
3. The need to distinguish: it makes a difference if we are talking about accountability and effectiveness in Somalia, Burkina Faso, India or Brazil.

Accountability is a very important issue and a key element in good governance and in our rights-based approach. Civil society is about citizens organising themselves, men and women claiming their rights, holding to account governments, private sector and civil society itself. It is important to realise that accountability is core to civil society. Accountability is not a technical discussion about the ways of reporting (control groups, etc.) but a very central political concept. It is about power relations (accountability to whom) and control of power in a world of growing socio-economic inequality.

When we talk about accountability we need to distinguish

1. The role of civil society in holding to account others such as the Dutch Government, the European Union, southern governments, private sector etc.
2. The accountability of civil society (international NGO's, local civil society, all have to practice what they preach)

Therefore, we should not discuss accountability of civil society in isolation but the position of civil society in relation to the other actors and be clear that this is a political, public issue. Are governments delivering on the MDGs? It is widely agreed upon that the so called Washington consensus of the World Bank and IAF has played an important role in the current food crisis. How about accountability on this, how is the Dutch government accountable about its role in the World Bank?

How can international NGO's support counterparts in holding their governments accountable, how to strengthen other accountability mechanism as national courts of audit and parliament.

The example of the World Bank shows that when we talk about accountability, we do so quite often considering the short term and not the long term. Whereas it is in the long term that we see the real impact. This is also one of the challenges of accountability in the broad field of civil society, annual reports are of limited value for this. How do we assess the impact of Oxfam Novib's work over the past 15 years in Mozambique, for instance, and what about Dutch bilateral relations with Yemen over the last 30 years?

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One of our strategies is to do core country evaluations, through which we look back over a longer period and in which we involve many stakeholders. The sector has gone far in thinking along the line of the aid delivery chain, the linear thinking where we put money at the start of the chain and get 'development' at the other end. We all know that it is not that simple, and most often not a technical issue but a complex process of social political change with a lot of powers and politics involved. The linear thinking in input and output, outcome and impact has had its value and has helped to become more focussed on results and impact. For certain ways of working and strategies it has been and still is useful, but we have reached the limits.

Sometimes it looks as if accountability has been narrowed down more and more to showing as many results as possible. If we continue along that road the risk becomes that we start avoiding work in difficult situations, like fragile states, isolating achievements from their context.

Instead of talking about the aid chain, we should talk about an aid web, with very different relationships. In the web different actors work, with different strategies and different connections. More and more the actors in the web do not fit in the traditional boxes of, e.g., Northern or Southern NGOs. Take the case of the Third World Network with its office in Geneva. Is it a Northern or a Southern NGO, or a global one. It lobbied Oxfam Novib to focus on the EPAs (Economic Partnership Agreements) in the Trade campaign, later we created an alliance with TWN on EPAs and we funded TWN's work.

As stated above, the word aid does not cover what civil society stands for and how it works. Unfortunately we have not found the right language yet to make that clearer. It is about working together on a just world, it is about solidarity with people living in poverty, it is about the realisation of human rights (in the broad sense), it is not only about 'them' but also very much about 'us' (the impact of climate change on poor countries is huge, but the change in behaviour should be in 'rich' countries), it is an instrument of citizenship, it is about demanding justice.

To achieve its mission Dutch NGOs use many strategies (models of change), ranging from service delivery, advocacy, campaigning, mobilising, innovation, facilitating learning and knowledge sharing, etc. Finances are needed to realise these strategies. Transparency is a key element of accountability and is more than about reporting. Accounting is about the way civil society acts; how civil society actors listen to feedback and how they make clear what they do with it, how its intervention strategies work. What are success or failure factors.

The consequence of looking at the sector not a chain but as a web also helps to understand the complex challenge of multi-stakeholder accountability (for Oxfam Novib: to the people supporting Oxfam Novib, to the partners we work with, to the Dutch government, to parliament, to the public, to the private sector, to colleagues of the other Oxfams, etc.).

Having made clear that accountability is a political concept, that focussing on financial aid does not describe well the work of civil society, I want to stress that accountability and the discussion about 'aid' effectiveness is necessary, and more needs and can be done. Civil society cannot afford to hold others accountable without taking seriously their own accountability.

Key elements of a vision on accountability:

1. Accountability of civil society should be seen as part of the broader political accountability challenge (of all actors: public, private, civil

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- society).
2. All civil society organisations must be accountable to society, to the public, and not just to government. Mutual accountability between civil society actors (here and there) needs to get more emphasis. Transparency about strategies, success and failures is a key element in that accountability.
 3. International NGOs need to make progress in further strategic co-ordination without creating the illusion of a fully harmonised assistance from civil society, which would be in contradiction with its core values and principles of autonomy and diversity.
 4. Learning needs must become much more important in the sector. Our mission a just world without poverty is not easy to achieve, so every day we need to reflect if our model of change, our strategy is the right strategy. Do we need to adapt. Universities, research centres, they can be much more relevant and supportive. Initiatives like the IS academy are therefore very welcome.
 5. Funding arrangements need to enable multiple accountability and learning, and acknowledge the big differences in context, strategies, etc. Risk-taking and work in for instance fragile states like Somalia and Afghanistan needs to be valued.
 6. We need a wide range and differentiated methodologies for reporting on results and measuring impact (most significant change methodology, real time evaluations, key indicators, etc.). Different methodologies and frameworks are needed for different strategies (direct poverty alleviation, civil society strengthening, advocacy etc.). We need to share how we are learning and explain better that social change (a just world without poverty is about real social change) is a challenge, blueprints do not exist.