

Transparency and accountability as one of the critical perspectives on the legitimacy of future development cooperation

Contribution to the workshop on „A Future for Aid Data“

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- Objectives:
 - Framing possible future issues regarding development cooperation in the context of transparency and accountability
 - Starting point: „A Future of Aid Data“ is highly desirable
→ It is supportive in terms of transparency and accountability (a) within donor countries, (b) within partner countries, (c) between donors and partner countries and (d) for third parties.
 - However, the environment for the subject might not be favorable with a mid- or long-term perspective
 - Identifying some „Overall trends“ against this background



- **Trend 1: Aid effectiveness – Are we approaching the end of the debate?**
 - Effectiveness agenda is a main priority of the debate on aid during the first decade (2000-2010)
 - Aid effectiveness agenda was/is the driving force for aid transparency and (domestic & mutual) accountability
 - Agenda has made clear the costs and side-effects of weak transparency and weak accountability; issues around: predictability, transaction costs, donor coordination, aligning aid to partner countries priorities, governance issues ...
 - AAA (2008) was a major step forward: „We <donors and developing countries> will make aid more transparent.“
 - International Aid Transparency Initiative is still progressing



Main question / challenge: Are we going to continue with the aid effectiveness agenda?

Indications for a shifting agenda:

- Aid effectiveness → „traditional donor“ agenda which is today only reflecting partly all actors
- New political landscape in traditional donor countries → losing momentum? (results approaches addressing accountability issues at the level of donors etc.)
- Agenda has at present a tendency for confusion / losing a clear focus → “development effectiveness”
- „Paris World“ → Really a global agenda? → “OECD / DAC club” attractive to the new driving forces?



➤ **Trend 2: Country systems and PFM: In favor of aid transparency**

- Aid improves country system by using them: Focus on public financial management (PFM) → „positive side effects“ of new aid modalities
- PFM: preconditions and objectives: transparency and accountability
- Improving PFM systems without looking at aid information is hardly useful (at least in high aid dependent countries) → PEFA is assessing donor performance in this regard
- Focus on country systems and PFM supports aid transparency and accountability system for partner countries



➤ **Trend 3: Future of development cooperation**

Two main orientations

1. Future of ODA: How to improve the aid system (“Paris World”)
2. „Beyond ODA”: Aid is the/one starting point for future international cooperation.

Similar issues, but on different levels

- a. Variety of cooperation objectives → linkages between environment, security, poverty...
- b. Differentiation of partners: Poverty just one focus or the focus in just some countries; regional partners, subnational level
- c. Differentiation of “donor” actors → fragmentation, competition
- d. Instruments & modalities of cooperation & finance → ODA just one approach (mixed instruments...)
- e. ODA definition (grant element etc.) might not provide future global standards



➤ **Trend 4: Future of international cooperation (if aid is not a driving force)**

„Beyond ODA“ a realistic point of departure? Forms of cooperation might be dominated by other policy fields:

- (Emerging) Developing countries might not automatically be interested in continuation of aid agenda: number of real „aid countries“ is shrinking → “Phasing out aid” as a recipient objective
- Emerging powers might not be interested to join traditional aid debates
- If aid and poverty are loosing momentum: Other policies point of departure for international cooperation (climate change, foreign economic affairs, scientific collaboration, migration...)



Conclusions:

1. Transparency and accountability is one of the critical perspectives on the legitimacy of future development cooperation → We should continue with efforts in this regard
2. Conditions for aid and international cooperation are dynamic and challenging.
3. Against this background: Do we know whether the perspective for aid effectiveness and transparent aid data will remain relevant in the future?



Contradiction factors might be related to the following issues:

- The role and impact of aid is going to decline
- Number of typical aid countries is decreasing, other countries perceive aid debates as donor driven → Demand on partner country side always there? → Even for aid dependent countries it might be rationale to keep “traditional aid” and “other types of cooperation” separate
- Aid effectiveness agenda might loose momentum
- Legitimacy of existing fora is de facto questioned: OECD / DAC WP on aid effectiveness: Best forum for all actors? (risks if UN would take this on board....)

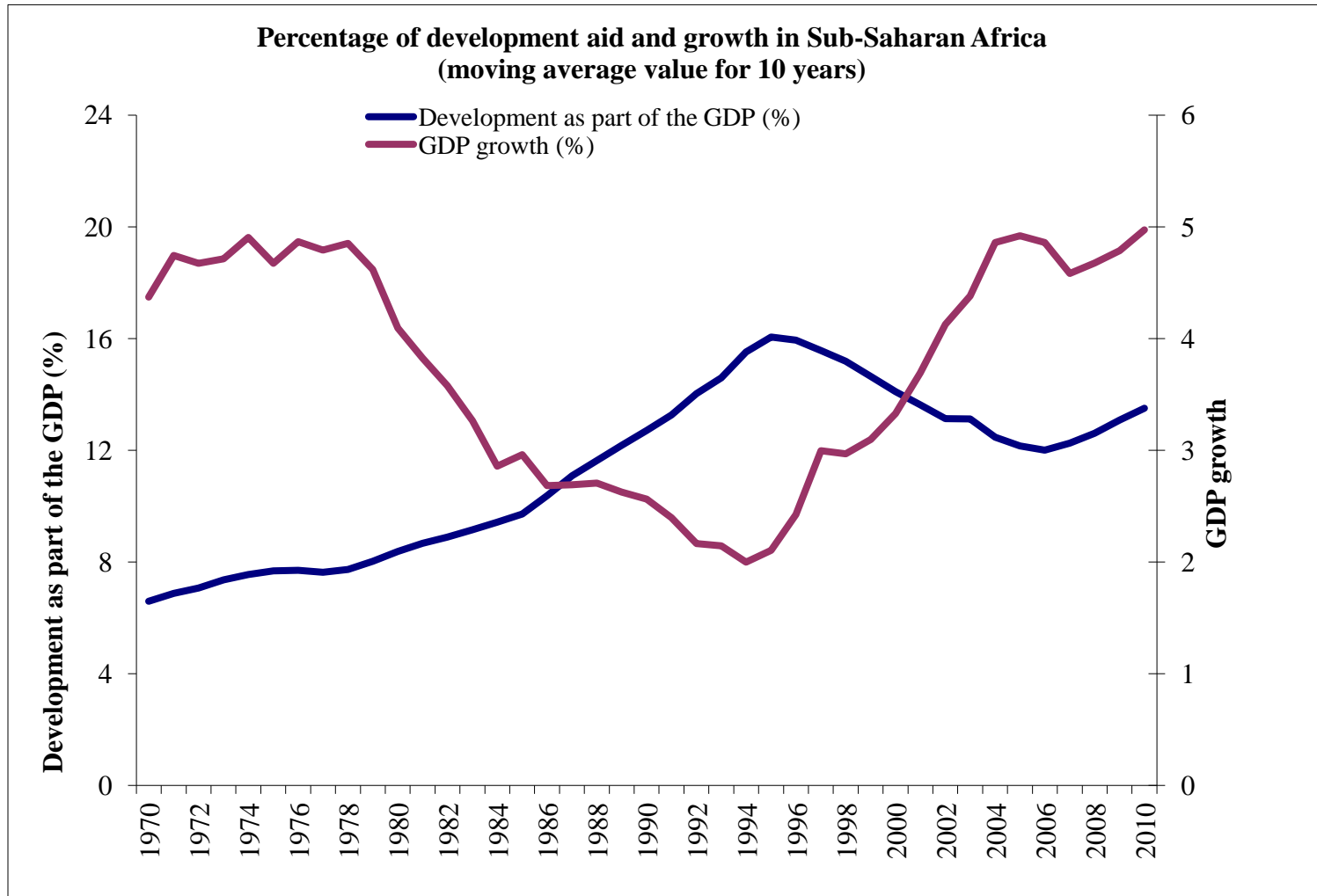


- Aid effectiveness: Africa was a major driving force, Asia is coming in more prominently with a different view
- Incentives for transparency and accountability: Do we understand the rationale of all actors? Should we expect that all actors are interested in joining the agenda? → IDD research will contribute to this



Thank you for your kind attention!

I. Rwanda – a country in hurry



Source: Own illustration in the style of Easterly (2003); Data: World Bank Data (2010)