Answerability versus Enforceability

A Study of Accountability in the Relationships Between Donors and Recipients of Foreign Aid

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Master’s Thesis - Department of Political Science

UNIVERSITY OF OSLO

Spring 2016
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http://www.duo.uio.no/

Print: Reprosentralen, Universitetet i Oslo

Words: 22560

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Abstract

Accountability is an indispensable element of any democratic political system. Yet, few empirical studies have gone about systematically measuring the concept. This study aims to measure accountability in the relationships between donors and recipients of foreign aid grants. In doing so, accountability is operationalized into two dimensions; answerability and enforceability. Each dimension was measured along seven indicators based on data gathered from four recipient organizations in Kenya and Ethiopia.

The empirical results show that the more answerability there is between donors and recipients, the more enforceability there is. I argue that this speaks in favour of the use of Results Based Management systems in development cooperation. Nevertheless, this thesis will also show there are aspects of accountability that need improvement; the overall low level of enforceability and weak horizontal accountability both contribute to weakening overall accountability between donors and recipients.
Acknowledgements

Looking back at the past five years as a student, I am happy to see that I have managed to stay focused on the topic that brought me to university in the first place. A year in Ethiopia during 2007 turned out to spark my interest in development, leading me to take a bachelor’s degree in development studies. Something must have stuck, because the majority of work during this master’s degree has been about development in one way or another.

It was a pleasure to conduct part of the field work for this thesis in Ethiopia, the same place where everything started. On that note, I would like to thank my dear friend Mekibib Tasew for your many years of friendship and your invaluable help during those hectic days in Addis during my field work. Ameseginalehu.

I am grateful for my two mentors during this process, Haakon Gerløw and Tobias Bach. Together, your different approaches to political science complimented one another very well, something which is hopefully reflected in this thesis. Haakon, you have a remarkable ability to listen to my endless ramblings, grasp the central idea and then reflect it back to me in a structured and clear way. Tobias, you provided the spark that led me to write about accountability in the first place. Our discussions always supplied inspiration for this thesis, and it was refreshing to do it all in English.

Last, but certainly not least, I must extend a huge thank-you to all of my close friends from school. I sit here grateful, because there are far too many of you to name. The laughter we have shared over the past two years will not be forgotten.

Any errors in this thesis are mine and mine alone.

Evan Wilson

Oslo, May 2016
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1 Introduction

Accountability is a fundamental element of democratic political systems; it forms a link between the representation of citizens’ interests, and the delegation of tasks that aim to secure those same interests. In this thesis, I provide a characterization of accountability in the relationships between foreign aid recipients in East-Africa and their donor counterparts in developed countries. To do so, I disentangle the concept and measure it along the two most common dimensions used within the accountability literature; answerability and enforceability. I have constructed seven indicators for each dimension; these were measured by coding interviews with staff from four recipient organizations in Ethiopia and Kenya. When evaluating how the different dimensions affected one another, I found that answerability has a positive effect on enforceability. This means that the more donors know about what recipients are achieving, the more they follow up with sanctions, be they positive or negative.

From a Results Based Management (RBM) perspective, this is good news. Donors are learning from what is happening at the project level, and taking it into account during decision making processes. The bad news is, even though answerability positively affects enforceability – the overall amount of enforceability in the relationships is low. This inevitably means that accountability between donors and recipients has room for improvement.

Most scholarly studies on accountability are conceptual and attempt to create typologies that capture the various aspects of the term. The empirical research is usually case-oriented and focuses on individual polities, generally these studies highlight the gaps or deficiencies of accountability within the political systems. However, methods for systematically measuring these deficiencies have been less explicit in the literature (Brandsma and Schillelmanns, 2012: 2). My hope with this thesis is to provide a framework for measuring accountability at the project-level in development cooperation.
This thesis also is nested within the extensive debate on the effectiveness of foreign aid. The growth of RBM schemes in development cooperation is interlinked with the aim to secure greater accountability between donors and recipients of aid grants. This has brought about tension, because RBM seems to reinforce vertical notions of accountability – when in fact there is international consensus that donor-recipient relations should aim to secure horizontal forms of accountability (OECD, SADEV 2012). This perspective on accountability in development cooperation is important, and will be addressed in this study.

Academic debates aside, the core of this thesis about the relationships between donors and recipients, it asks: what characterizes accountability in this relationship? Through answering this, I hope to contribute to a better understanding of the interaction between the different dimensions of the accountability, and shed light on patterns that may secure greater accountability in development cooperation in the future.

1.1 Motivation, purpose and research questions

The motivation behind this thesis is the need for empirical research that outlines how accountability works at the project level. This is necessary in order to make sound judgements on how to solve accountability deficiencies within development cooperation. Much of the research on accountability in development cooperation has been at the multi-lateral or country levels, where the focus is on the relationship between transparency and accountability. Moreover, many of the proposed solutions to accountability problems focus on the multi-lateral level, rather than narrowing in on the center of development cooperation; those who give aid and those who receive it.

The main research question of this study is; what characterizes accountability between donors and recipients of foreign aid? This is a descriptive question, and to answer it I rely on the data gathered during the process of operationalizing the different dimensions of the concept. Additionally, I have chosen three sub-questions that represent important focus areas within the main research question, they are:
1.1 What are the connections between answerability and enforceability at the project level in development cooperation?

1.2 To what degree do donors use their enforceability towards recipients?

1.3 To what degree do recipients practice horizontal accountability?

The first sub-question takes the two main dimensions of accountability, and aims to find out if and how they affect one other. Knowing more about the interaction between these two elements can help understand which actions should be taken to ensure a sound level of accountability in hierarchal relationships.

The second sub-question is specifically about enforceability. This issue is particularly interesting in the context of development cooperation, and in principal-agent relationships in general. Newer research has shown that principals neglect the enforceability side of their accountability commitments towards agents. The degree to which donors use enforcement mechanisms is thus an important element to include in any characterization of accountability.

The final sub question is included because the operationalization of accountability used in this study relies mainly on the vertical understanding of accountability, one where principals gather information on agents and sanction them accordingly. This form of accountability fails to address forums outside of the principal-agent relationship that agents may be accountable to, like the media, independent regulatory bodies or the public at large. Therefore, I have included an analysis of the degree that recipients practice horizontal accountability, in order to see how this affects their relationships with donors.

1.2 Theoretical framework and research design

The theoretical framework used throughout this thesis is principal-agent theory (P-A theory). One of the strengths of this theory is its ability to effectively describe hierarchal relationships, in this case within development cooperation. The theory assumes that a principal delegates tasks to an agent and uses various sanctions in order to get the agent to comply. It goes on to assume that there will be a fundamental goal conflict between the two
actors, and that agents naturally have more information on their own actions than the principals do. This leads principals to engage in techniques to exert control over the agents to ensure their own interests. One such technique is Results Based Management; this builds directly on the logic of P-A theory, and I include this in the theoretical framework.

This study views donor organizations as principals, and recipient organizations as agents. Rather than testing specific hypotheses from P-A theory, I make use of the theory’s descriptive power to understand the relationships between donors and recipients.

In addition to P-A theory, I discuss the theoretical underpinnings of accountability and the main dimensions within the term. Building on this, I include number of the accountability problems that have been discussed in the literature, some are specific to development cooperation and others are for principal-agent relationships in general. Each of these accountability problems are then discussed in light of the results of this study.

1.3 Structure of the thesis

The thesis is structured into eight chapters. In chapter two, the context and background for the thesis are presented. The aim is to provide an understanding of the relationships within development cooperation and show how accountability and results management have become central themes within this sector.

The theoretical framework for the thesis is presented in chapter three. Here principal-agent theory will be discussed along with the theoretical basis for accountability.

Chapter four introduces the analytical framework for the study. The logic behind the operationalization of accountability, and the measurements that were used during fieldwork will be presented here. Throughout this chapter the hypotheses will be presented in line with each aspect of accountability.

The research methodology will be presented in chapter five. I take case-study approach, and therefore present the case-selection process and methods for gathering data. The main method for gathering data was through interviews with key respondents and document
review. This chapter also discusses the internal and external validity of the results, the measurement validity, and the reliability of the research procedures.

The sixth chapter presents empirical findings from this study. This starts with providing an overview of the cases, and goes on to give the data that was found for each dimension of accountability in the relationship between donors and recipients.

Chapter seven is a discussion of the empirical results. I will review each sub-research question and the hypothesis that follow. In this section, I also take into account the relevant theoretical perspectives. At the end of this chapter I present my overall answer to the research question.

Finally, chapter eight presents my concluding remarks and ideas for further research.
2 Context and background

In this chapter I will review the dominant ways of thinking within development cooperation. This background explains how the emergence of RBM in the public sector is intertwined with the issue of accountability. It also highlights the complexities of international development cooperation, and the challenges that come while aiming to secure accountability between donors and recipients.

2.1 A short history of international development cooperation

The debate on the effectiveness of foreign aid has gone on for decades. Neo-liberal aid critics like Milton Freidman and William Easterly have long argued that foreign aid ultimately undermines the reduction of poverty as it creates dependence, enlarges government bureaucracies, and has been funneled through corrupt governments that enrich the countries elite. They pointed to an impoverished Africa after continued decades of foreign aid programs as their evidence (Radelet, 2006: 3). Their analyses have not stood without criticism. In the defence of foreign aid, economists like Jeffery Sachs and Joseph Stiglitz have stated that overall aid has contributed to poverty reduction and economic growth in developing countries. They have drawn on examples of countries that have received large sums of aid and have become economically successful like Botswana, Indonesia and Korea (Radelet, 2006: 14).

Like most political phenomena, aid is not black or white, and we can not simply say “aid works, or it does not”. The context for aid is ever-changing and dynamic, so naturally, the dominant ways of thinking about aid have changed over time. This brief history will attempt to sum up these changes since the second world war (WWII).

Arguably the first full scale aid program was seen with the Marshall Plan in 1948 in post-war Europe. Much of the major infrastructure in Europe had been destroyed after WWII, and there was an extreme lack of local capital that was needed to rebuild at the time. The
The Marshall Plan was created by the United States government under President Harry Truman, and provided grants that were channeled to governments in European countries with the main aim of reconstructing necessary infrastructure in order to increase production capacity (Eggen and Roland, 2014: 23). The aid paradigm of the day was program and project based funding that should kick-start economic growth and allow countries to develop on their own.

In the years following the Marshall Plan and into the 1960’s, the focus of aid shifted from Europe to the underdeveloped countries in Africa, Asia and South America. The need in this period was not only capital, but knowledge and technology as well. This was known as the era of technical assistance aid. During this period, development aid priorities started to become institutionalized amongst multilateral institutions like the World Bank, the United Nations and the Organization for Economic Cooperation and Development (OECD) (Eggen and Roland, 2014: 22). Aid policy and strategy debates began to take place within the multilateral institutions, and the focus of those who managed aid at the time was to ensure the success of individual interventions. The aid paradigm of the day was that western expertise, based on experience from home, should be adapted and applied in developing countries (ibid.: 23).

In the 1980’s, development aid policy was surely affected by the dominant Reagan and Thatcher ideology. Aid was still being delivered in the form of projects to reduce poverty and increase welfare, but multilateral institutions began to direct their focus to the macroeconomic policy of developing countries. In the eyes of the multilateral institutions, the state should be rolled back to give more room to the market so that it could serve development. The instruments chosen to deliver these changes were Structural Adjustment Programs (SAPs); these were mainly delivered through the World Bank and International Monetary Fund. SAPs were essentially soft-loans that were contingent on policy reforms on the part of the receiver. The major criticism of this approach was that it severely undermined the local sovereignty of developing countries as it imposed economic models in a context that were not relevant to the receiver (Sumner and Mallett, 2013).
From the late 1990’s until more recently, aid has been marked with a particular focus on civil society and capacity building support. The realization that economic growth will not be properly managed without the existence of sound institutions, and the need to strengthen the civil societal development, or “bottom-up” development have been key to this development paradigm. The focus changed from “rolling back the state”, to transforming the state according to western models. This involved major capacity building initiatives aimed at the public sector in order to make them more efficient and responsive to their constituencies (Eggen and Roland, 2014: 29). Another notable trend was the increase in donor support via civil society organizations like Non-Governmental Organization’s (NGO’s), both in northern and southern countries. The idea was that these organizations had sufficient contact with the grass roots in developing countries and would be effective in engaging citizens to hold their governments accountable, therefore much of aid was centered around “empowering the poor” (ibid.: 31).

After the turn of the millennium, development aid policy again attempted to reach a new paradigm. In the year 2000, the United Nations launched an ambitious approach to fighting poverty; The Millennium Development Goals, or MDG’s as they were dubbed. The MDG’s were eight specific, quantitative, apolitical goals that were easier to measure then the broad vague goals of the past. The idea was that donor countries could all work towards some or all of these goals, where the aggregate effects of which could be easier to measure. Thus, it became easier to hold aid agencies and recipients accountable to what they were working towards (ibid.: 35).

In 2005, the international development community reached what may be the most fundamental paradigm shift since WWII. This was the Paris Declaration; a number of high-level meetings amongst the members of the OECD countries where the main aim was to increase harmonization and effectivity in aid deliveries. The declaration aimed to give full authority to the recipients of aid, stating “local ownership” as one of the main objectives. In practice, this meant that donors should harmonize their aid efforts with national plans in the
recipient country and secure “mutual accountability” between donors and partners. Another key objective from Paris was “managing for results”, which aims to increase both donors and recipients focus on producing and measuring results. Although the objectives of the focus on results oriented aid and donor harmonization were to give full authority to the recipient, in practice this turned out to make donors very powerful (ibid.: 35). Gould (2005) notes that it may be no coincidence that after years of donor involvement in the policy formation of recipients, the recipients were finally producing policy that was nearly identical to donor priorities. Therefore, although the days of policy conditionality and SAPs were long gone, the “ownership” agenda appears to have been built upon the same foundations (Eggen and Roland, 2014).

Post 2010 has been marked by new aid effectiveness principles from the OECD in 2012, the Busan Partnership is not much of a departure from the Paris declaration, and generally reaffirms the ownership, accountability and results agendas. In 2015, the UN followed up the largely successful MDGs with the sustainability development goals (SDGs). The main goal from the SDGs being to “end poverty in all forms everywhere” by 2030. As of yet, we see no evidence of the emergence of a new paradigm in aid delivery mechanisms, although we see the advancement of more market based solutions like Results Based Financing and private - public partnership initiatives. We also see that western governments are aiming at achieving more policy coherence when it comes to developmental issues in order to ensure that domestic policy works towards international development (Sumner and Mallett, 2013: 19).
This brief history shows that it is difficult to categorize aid in one way or another, but within the scope of this paper I will make use of OECD’s definition of Official Development Assistance (ODA) when referring to aid:

ODA is defined as those flows to countries and territories on the DAC List of ODA recipients and to multilateral institutions which are:

I. provided by official agencies, including state and local governments, or by their executive agencies; and
II. each transaction of which:
   A. is administered with the promotion of the economic development and welfare of developing countries as its main objective; and
   B. is concessional in character and conveys a grant element of at least 25 per cent

(OECD, 2008a)

These general trends in international development cooperation are by no means clear-cut transitions, and to some degree, all of these approaches are still used in one way or another today. This section is merely an attempt to sum up the dominant ways of thinking about aid since the end of WWII, and to give context to this paper. Moving forward, the focus of this thesis is on some of the key themes that emerged out of the Paris Declaration on Aid Effectiveness and the Busan Partnerships Agreement; namely “managing for results” and “mutual accountability”.

2.2 Relationships within development cooperation

The history of aid tells us that it is comprised of a large number of complex relationships both within and between donor and receiver countries. One of the simplest and most common ways to understand these complex relationships is in the form of a chain, which is
often referred to as the “aid delivery chain”. However, the idea of a hierarchal chain starting with donors and ending with beneficiaries in recipient countries fails to capture the complex nature of relationships in development cooperation. Elinor Ostrom (2002) refrains from using the development chain analogy and prefers to use a model highlighting the complexities of these relationships, her “Aid Octangle” model gives a good picture of the numerous linkages that are present in development cooperation today.

**Figure 2.1 The International Development Cooperation Octangle**

One of the focal points within the aid octangle, and main focus area of this paper, is the donor – recipient relationship. There is a great deal of power asymmetry in this relationship, the stronger party usually being the donor. Recipients regularly accept conditions that are placed on them from donors, only until recently have we started to see this trend change (Eggen and Roland, 2014). More and more we see that recipients are unwilling to go along
with donor aid conditionality if it is a question of domestic policy reform. Another characteristic of the donor-recipient relationship is that donors attempt to assign ownership to the recipients. As mentioned earlier, the ownership agenda has been a key part of the Paris Declaration on Aid Effectiveness. As Ostrom et al. (2002) note, it is inherently difficult for donors with access to funds to provide full ownership to recipients who are themselves internally motivated to gaining grants. This inherent problem is often enhanced because the ownership of aid recipients often lacks certain key features of how ownership is discussed in development aid literature (Ostrom et al., 2002). Four key features necessary in recipient ownership are:

1. Beneficiary owners need to enunciate a demand for aid;
2. Beneficiary owners need to exercise some control over the resources made available;
3. Beneficiary owners need to allocate at least some of their own assets to the project or program so that they have a real stake in the way their own and other actors’ assets are used;
4. Beneficiary owners need to have clear assignments of responsibility and be able to participate in decisions regarding continuance or non-continuance of a project.

### 2.3 Results focus in the public sector

The results agenda that emerged during the Paris Declaration in 2005, was a direct response to the New Public Management (NPM) wave that swept through the public sectors of many OECD countries in the 1990’s. This resulted in a large number of public sector reforms aimed at solving the growing number of social and economic problems during that period. Economic problems were seen in budget deficits, structural problems and growing competitiveness and globalization, while social problems included a general lack of confidence in government and a need for more responsive government services (Binnendijk, 2001: 5) Moreover, citizens felt that the governments should be more
accountable to achieve results with the taxpayer’s money. Although these reforms varied from country to country, there were a few common traits that emerged amongst the majority of OECD countries during that decade, they were:

- Focus on performance issues (e.g. efficiency, effectiveness, quality of services).
- Devolution of management authority and responsibility.
- Orientation to customer needs and preferences.
- Participation by stakeholders.
- Reform of budget processes and financial management systems.
- Application of modern management practices.

(Binnendikj, 2001: 6)

Perhaps the most important of these reforms was the focus on the performance of government services and the results that they achieved. This trend has generally been referred to as Results Based Management. Theoretically, RBM can be defined in two ways; broadly, as a management philosophy or narrowly as a management technique (Christensen et al., 2007: 100). More generally, RBM is defined as: “a broad management strategy aimed at achieving important changes in the way government agencies operate, with improving performance (achieving better results) as the central orientation” (Binnendikj, 2001: 6).

As a management philosophy, RBM is most concerned with adapting management practices to individual sectors or branches. It aims to shift the focus from ‘micro-managing’ towards results and long-term goals (Christensen et al., 2007: 100). The focus of this paper will be on the narrower understanding of RBM and how it has been used within development cooperation as a tool to secure accountability.

The narrow definition of RBM sees this management technique as an economic and quantifiable approach to managing government operations. There are no specific requirements for how RBM is practiced, however there are three principals that generally cover the main aspects. The first is that clear and consistent goals for the organization should
be formed, secondly, information on the progression towards these goals should be reported to the responsible government body, and finally, the results (or lack thereof) should have consequences for that organization (Lægreid, 2001: 134).

Furthermore, we can distinguish between measurement and management within RBM. Results measurement is generally concerned with supplying performance information, this involves formulating objectives, developing indicators, setting targets and monitoring performance. While results management also includes these things, it has a broader perspective; it is also concerned with creating a demand for results information within the management of organizations. Thus, results information should be a central part of program policy, and budget decision making processes, as well as other key organizational procedures. In an ideal results based management system, organizations should work towards achieving results and constantly improving based on their performance information (Binnendikj, 2001: 6).

2.4 Results focus in development cooperation

In the same way the public sector was affected by the social and economic challenges of the 1990's, so to was the aid sector in developed countries. The public’s view of international aid had grown more critical with more rumors of corruption and infectivity of aid. At the same time, government budget constraints led to a number of countries cutting their development aid budgets in order to maintain domestic welfare programs. Thus, for many of the same reasons that led the public sectors in many developed countries to establish RBM systems, many of the largest development aid agencies (USAID, DIFD, CIDA, UNDP, and the World Bank) also implemented RBM systems in the late 1990s and early 2000s. The Paris Declaration on aid effectiveness essentially solidified the RBM agenda within OECD countries, establishing it as a mantra within development aid cooperation, and by the mid-to-late 2000s, nearly all donor countries were using RBM systems within their development cooperation agencies.

Although RBM systems within development cooperation vary from country to country, the main purpose of these systems was to generate and use performance information as an
accountability mechanism when relating to external stakeholders, be they taxpayers in donor countries or beneficiaries in receiving countries. These systems are also useful for organizational learning and decision making (Binnendijk, 2001: 6).

In general, the RBM system can be separated into seven main phases. The first three are understood as strategic planning, the first five together make up performance management, and all seven together describe the results based management system as a whole. Figure 2.1 illustrates a typical model of RBM.

**Figure 2.1 The Results Management Cycle**

1. **Formulating objectives:** Identifying in clear, measurable terms the results being sought and developing a conceptual framework for how the results will be achieved.

2. **Identifying indicators:** For each objective, specifying exactly what is to be measured along a scale or dimension.

3. **Setting targets:** For each indicator, specifying the expected or planned levels of result to be achieved by specific dates, which will be used to judge performance.

4. **Monitoring results:** Developing performance-monitoring systems to regularly collect data on actual results achieved.

5. **Reviewing and reporting results:** Comparing actual results vis-à-vis the targets (or other criteria for making judgements about performance).

6. **Integrating evaluations:** Conducting evaluations to provide complementary information on performance not readily available from performance monitoring systems.

7. **Using performance information:** Using information from performance monitoring and evaluation sources for internal management learning and decision-making, and for external reporting to stakeholders on results achieved. Effective use generally depends upon putting in place various organizational reforms, new policies and procedures, and other mechanisms or incentives.


2.5 Results focus at the project level

Results based management systems exist at different levels within development agencies. For analytical purposes, we may distinguish between three main levels within development agencies: the project level, the country program level and the agency-wide level. For the scope of this paper, RBM at the project level will be the most relevant.

The foundation of a development agency’s operations are individual development initiatives, or projects. The project level has the most established results based management system within development agencies (Binnendikj, 2001: 15) this has been identified in reviews of the major development agencies. At the project level, the first five phases of RBM from Figure 2.1 X are most relevant. Formulating objectives, identifying indicators and setting targets are necessary planning tools for all projects, as they form the basis for all activity. In practice, these phases of RBM are developed into logical frameworks that identify strategies (inputs and activities) for meeting objectives (outcomes and impacts). These plans, or log-frames as they are called, identify the casual relationship between the five different levels in the hierarchy, each lower level in the log-frame contributing to the higher levels.

The outputs and outcomes set out in the logical frameworks form the basis for judging the successes or failure of initiatives. Phases four and five entail monitoring the results and comparing them to the targets set out in project plans. The last two phases of RBM entail further evaluation and using the performance information in decision-making processes. This again ties in with the notion that performance information should have consequences for the organizations and their initiatives (Lægreid, 2001: 134)

2.6 Accountability in development cooperation

The focus of this paper will be on accountability in development cooperation. The ever-increasing focus on results mentioned above, is merely a symptom of a greater problem of accountability that has existed in development cooperation. A more in-depth theorizing of accountability in this context will be given in the theory chapter that follows, and a concrete operationalization will be given in the section on methodology, but some background of this
The Paris declaration of 2005 outlined “Mutual Accountability”\(^1\) as one of five specific principals for aid effectiveness. The goal was to address the underlying problem of accountability in development cooperation; the fact that hierarchal systems of accountability giving stronger donors more power over weaker ones, was not ensuring that results were being achieved. Moreover, the reality for the vast majority of development cooperation initiatives was power asymmetric relations involving a myriad of actors on global stage. The declaration set out to take responsibility for the effective outcomes of aid and move from being something that was solely a donor responsibility, to being something where both donors and recipients would be mutually accountable to each other and their constituencies for development aid results (SADEV, 2012: 1). The main indicator for following progress on mutual accountability from the Paris Declaration was implementing regular mutual reviews of development results between donors and recipients (OECD, 2008b) the progress towards this particular indicator has been very limited.

Following the Paris Declaration, the Accra Agenda for Action (AAA) saw the concept of mutual accountability broadened. The initial agreement in Paris included an understanding of accountability as involving only two actors; donor and recipient governments. At AAA, the accountability concept was defined as including citizens in both partner and recipient countries, pointing towards parliamentary chains of accountability. Moreover, AAA recognized civil society organizations as important actors in securing mutual accountability.

The fourth high-level forum on aid effectiveness was held in Busan in 2011. With the Busan Partnership Agreement (BPa), the concept of mutual accountability was again expanded to include private sector actors, especially those in the BRICS economies. This forum also called attention to making information on progress towards development accessible to all stakeholders (OECD, 2012). The main consensus regarding accountability from the BPa was that information transparency is essential to secure accountability in development cooperation. Progress reports from 2014 have shown that progress has been limited

\(^1\)Mutual accountability resembles what the academic literature calls horizontal accountability. These two terms are used interchangeably in this paper.
towards the implementation of transparency practices (OECD and UNDP, 2014: 73)

Thus, we can see that although ambitions have been high to secure an implementation of this newly agreed upon principal, it has been dubbed ‘the orphan principal’ due to a lack of progress on its implementation (SADEV, 2012: 1). There remains a number of barriers to securing mutual accountability in practice, these challenges come during the interpretation of the agreements on exactly “how to account” and “whom to be accountable to” and “what to be accountable for” (Wood et al., 2008). So, although the mandate of securing mutual accountability aimed at addressing the inherent asymmetries within development cooperation, in practice, we are still left with vertical notions of accountability between donors and recipients.

2.7 Summing up

This background has given a brief history of the main trends within foreign aid, and discussed the complexity of the relationships between the different actors involved in development cooperation. I have discussed the growth of performance measurement in the public sector and development aid in particular, something that has been pushed forward by the need for governments to secure more legitimacy with their use of public funds. Moreover, the growth of performance measurement has increased because the mechanisms for upward accountability towards donor legislatures are stronger than those for downward accountability, towards recipients and beneficiaries. Aiming to remedy these problems, the OECD has remained committed to a greater focus on “managing for results” and “mutual accountability”, the latter being subject to criticism for a lack of progress, and an ambiguous operationalization. The focus on managing for results has been generally successful, and most aid organizations now have comprehensive RBM systems. Nevertheless, to what degree do these systems contribute to accountability between recipients and donors? And likewise, what mechanisms for mutual accountability are in play the project level?

In an ideal RBM system, feedback on performance would be taken into account during decision-making processes, and actors would be held accountable for their actions. Given the recent debate on the infectivity within development cooperation, and the lack of
consequences for those actors that do not meet expectations (Eggen, 2014), it is prudent to look closer at the issue of accountability in development cooperation.
3 Theory

In this section, I will present the theoretical basis for this paper. Firstly, I present the central assumptions of principal-agent theory; these will be used as overall framework to understand the hierarchal relationships in development cooperation. P-A theory will also be used as a backdrop to understand accountability processes in the public sector and the growth of Results Based Management systems in development cooperation. Secondly, I will present a theoretical basis for the term accountability, and some of the problems associated with accountability in development cooperation. Finally, I will present the research questions for this paper.

3.1 Principal-Agent theory

The origins of P-A theory (also referred to as agency theory) are rooted within economic theory on incentives, and can be traced back to Adam Smith’s work on the determination of wages. Smith stated; “The workmen desire to get as much, the masters to give as little as possible” (Smith, 1776). Here, he proposes that there was a fundamental conflict of interest between masters and workers of the day.

Masters (principals) delegated tasks to their workers (agents), and although their relationship was contractual, the bargaining power between the two parts was not distributed evenly; the masters had the upper hand. However, even though the masters held an advantage, they were nevertheless dependent on agents to perform their duties. This is the fundamental picture of the principal-agent relationship, something which has been further developed within a subset of public choice theory; principal-agent theory.

This theory rests on the assumption that all forms of social and political interactions can be understood and a set of contracts (or agreed relationships) where one part, known as the principal, enters into exchanges with another part, the agent (Boston et al. 1996: 18). The reasons for why a principal may seek out an agent can be many; the task may require certain technical expertise, or the principal may not have the manpower to complete the task alone.
In either case, the main area of concern is how labour is divided between them.

As with other assumptions within public choice theory, P-A theory assumes that all individuals are rational utility maximizers, seeking the most efficient means to their various ends. This ultimately puts the interests of principals and agents in conflict with each other. Further complications in the P-A relationship arise from the problem of asymmetrical information; principals and agents generally do not have reliable information on each other’s true motives, something that each side may try to exploit to their own advantage (Boston et al 1996: 19). From the perspective of the principal, there are often uncertainties about how the actions of agents will lead to objectives that were agreed upon. Thus, a central tenant of agency theory aims to describe the optimal type of contact between the two parts, given what we know about them and the nature of the task they aim to complete. When analysing contracts, the goal is to understand how the two parts can best negotiate, specify and monitor the agreement in order to avoid problems that may arise when the agent acts in their own interests.

### 3.1.1 Agency costs

Principals have a number of tools at their disposal in order to make sure that agents follow through with the agreed contact. Firstly, they can create incentives or sanctions for agents, according to their progress. Secondly, the principals can monitor the agents very closely to ensure that their behavior is in line with the contract. Thirdly, they can implement a bonding agreement with the agent, which means that agents will be responsible to pay compensation if the agreement is not followed through. All of these strategies will incur a certain amount of costs on the principal, these costs will vary depending on how far the agent’s interests differ from that of the principals. These costs are known as *agency costs*.

### 3.1.2 Agency problems

Within the literature on agency theory, there are typically two problems that arise in the principal–agent relationship, both of which stem from the initial problem of asymmetrical information. The first is *adverse selection*; this happens prior to when the two parties engage
in a contractual relationship. The principal may have various screening methods for choosing the adequate agent, however, they can never truly know if the agent is the right candidate for the task because their information is limited (Eisenhardt, 1989: 61) In cases where the principal chooses an agent that is unable to fulfill their contracted duties, there is adverse selection.

Second is the problem of a moral hazard. This arises from the fact that principals cannot fully observe agent behavior once a contract has been negotiated (Moe, 1984: 755) Because agents are utility maximizing, they will often perform tasks to the minimum standards in those areas where their performance is unobserved by the principal. Agents are said to be shirking in those instances where they exert minimum efforts on their tasks. A moral hazard also takes place when an agent has a goal conflict with a principal, and decides to follow his or her own interests. Ultimately, principals will not have perfect monitoring mechanisms over their agents, and thus moral hazards are common.

3.2 Theorizing accountability

Building upon the figure of principal-agent relationships that has been sketched above, we can move closer towards the concept of accountability. When applying this P-A framework to parliamentary systems and the policy implementation process, we observe a number of principal-agent relationships from voters all the way down to civil servants. These relationships essentially form a chain of delegation, where those who have authority to make political decisions delegate such decisions to agents (Strøm, 2000: 266). This process of delegation is essential within representative democratic systems; voters have neither the time nor the ability to make informed and consistent decisions without delegating responsibility (ibid: 266). The following figure outlines the chain of delegation in parliamentary systems:
With this chain of delegation comes a parallel chain of accountability; each agent is accountable to their principal. Ideally, an agent is accountable to their principal if they are (1) obligated to act on behalf of the principal, and (2) can be rewarded or punished by their principal, depending on their performance (Fearon, 1999: 55). This is typically associated with a *vertical* form of accountability; Bovens definition provides a good overview: “Accountability is a relationship between an actor and a forum, in which the actor has an obligation to explain and to justify his or her conduct, the forum can pose questions and pass judgement, and the actor may face consequences” (Bovens, 2006: 450).

To simplify the definitions given above, we may boil down accountability to two main tenants: *answerability* and *enforceability*, both of which are the two most common dimensions associated with accountability in the literature. Answerability denotes the level of information available for principals to justify decisions and actions. The information made available to them will make the foundation for decisions to enforce commitments that have been made between agents and themselves (SADEV 2012: 4). Enforceability describes the
ability of principals to ensure that agents stick to commitments that have been made, and refers to the mechanisms available to principals in those instances where commitments are not followed up.

Another form of accountability looks to provide more direct relations between those who are to give an account on the one hand, and the media, civil society and citizens on the other (Bovens, 2003: 18). This is known as horizontal accountability. While vertical accountability relies on enforceability to ensure agents give an account to principals, horizontal accountability does not place formal obligations on agents to render account. Accountability takes place on a voluntary basis outside of a formal principal agent relationship, whereby agents feel morally responsible to give a public account on their (Bovens, 2003: 20). The words horizontal itself implies a departure from the idea that one is subordinate to another, and focuses being responsive to clients, independent overseers or professional standards (Schillemans, 2014).

### 3.3 Accountability problems in development cooperation

The relationships between donors and recipients are marred by accountability problems. In this section, I will outline four of the main problems that are present in the literature on accountability in development cooperation.

#### 3.3.1 Answerability and enforceability

Building further on the concept of public accountability that has been sketched above, we may adapt certain tenants of this to the principal-agent relationships within development cooperation. Public accountability exists all the way from voters down to civil servants; this essentially forms a system of checks and balances that hold the various actors accountable for their actions. In theory, the relationships along this chain have mechanisms that meet the answerability and enforceability requirements associated with vertical accountability. In development cooperation, however, as with all international cooperation, certain things that
secure accountability from principal to agent are often missing. Firstly, let us looks at enforcement. Even though states that sign international treaties and are bound by them, those that ignore these treaties will seldom be forced to comply by other member of the treaty (Ocampo and Arteaga, 2014: 9). Another factor is that many international agreements are voluntary and there remains nothing to officially enforce. An example of this is seen in the limited number of OECD countries who have fulfilled their commitment to a minimum of 0.7 per cent of Gross National Product (GNP) to ODA (ibid: 9). Although these factors concern agreements between countries, the same logic of enforceability exists within many project partnerships in development cooperation.

The second dimension of accountability, answerability, is also hindered in development cooperation. The flow of information from agent to principal is affected by the underlying information asymmetry between the two parts, but additionally, the geographic distance between them creates additional challenges in gathering accurate information. To remedy the problems of answerability in development cooperation, donor governments had bolstered the vertical mechanisms available to them. This has involved conditionality for aid grants, and saw donors using policy conditioning as sanctions that recipients had to obey in order to receive finances. This has been criticized for removing ownership of aid from beneficiaries and placing it in the hands of donors. As mentioned in the previous chapter, a mutual form of accountability has been promoted more recently by the OECD in order to push donors to move away from vertical accountability towards horizontal accountability; in the literature this is also referred to as mutual accountability (Bovens 2007: 460).

### 3.3.2 Accountability tilted upwards

Another accountability problem exists domestically in donor countries; the chain of accountability is tilted upwards towards donor agencies and their government. This is due to the underlying incentives of donor agencies. Donor agencies are more likely to be oriented upwards to their own principal legislatures, because the domestic voting cycle in donor countries creates powerful motivation. In contrast, an aid agency’s downward accountability
is not likely to be as powerful because of the absence of enforcement mechanisms available to the principal beneficiaries (Gulrajani, 2014: 97).

The accountability issue is also tilted towards donor legislatures by the incentives for donor agencies to transfer funds to recipients, this has been dubbed ‘the money-moving syndrome’ (Monkam 2012: 401). As a bureaucratic agent, aid agencies are often judged by how many grants they are able transfer to partners in development countries. When aid agencies know they must transfer a given amount within a certain period of time, they succumb to the pressure to approve projects that may not have been approved otherwise (World Bank 1998, Monkam 2012).

### 3.3.3 The broken feedback loop

Similar to the chain of delegation we see in a typical principal agent model, development cooperation has a hierarchical system often referred to as the ‘chain of aid delivery’. In section 1.2, I noted that this has been developed further into the “Aid Octangle”. Ostrom et al. stress that the linkages in this octangle should be viewed as groups of nested relationships, any one of which may be productive or counterproductive (2002: 60). It is outside the scope of this paper to analyze all of the nested relationships within the aid octangle. Instead, the main focus will be on the donor-recipient relationships within the framework of P-A theory. Based on this we may view donors as principals who delegate tasks to their agents; the recipients (labeled “contractors” in the aid octangle).

Waltermann and Meier (1998: 178) note that much of the literature on P-A theory assumes dyadic relationships, where one principal delegates a task to one agent. In the aid octangle, the principal-agent model becomes somewhat more complex. This complexity leads to what Ostrom (2002) calls the “broken information feedback loop”. See the figure below:
According to established models of efficiency in public (Becker, 1983, Whitman, 1995) politicians (principals) can place pressure on public institutions (agents) to adhere to the needs of beneficiaries of public programs in cases where beneficiaries are dissatisfied with the outcomes of the program in question. Likewise, beneficiaries (acting as principals) can place pressure on their politicians (agents) from their side, and this creates an ongoing cycle of public efficiency. The power of the beneficiaries in this case, is that they are voters and tax payers in their country, making them the ultimate principal. In this scenario, it is generally assumed that both parts are well informed about the programs being implemented (Martens et al., 2002: 15). The difference with development aid, is that beneficiaries of aid programs are neither voters nor tax-payers in the country that pay for the aid – and therefore they have little political advantage over donors. For example, beneficiaries of aid have no sanctioning capabilities towards the donors of aid; they can merely observe the outcomes. Furthermore, normal information feedback mechanisms are strained because of the geographical and political distance between the two parts. Thus, there are limited mechanisms for transmitting the views of the beneficiaries of aid programs directly to the donors. Even if information were to flow from the bottom-up, beneficiary views are likely to be perceived
biasedly because their goals are in conflict with donors.

The intended beneficiaries of aid are those at the bottom of the octangle, the citizens of recipient countries. Although they should be regarded as the principals in this scenario, they lack the same channels of answerability and enforceability that are available to tax-payers in donor countries. The feedback loop continues to be broken. Donor countries have however, tried to remedy this problems by gathering information on program performance in other indirect ways (Martens et al., 2002: 15). One of the key ways donors have attempted to fix the broken feedback loop is through improving the information flow from recipients, most notably seen through the growth of Results Based Management systems.

3.3.4 Drifting principals

Within P-A theory, principals are often exempt from being blamed for outcomes that have not been achieved. Principals give tasks to their agents, and follow-up to the best of their abilities. Any deviations from the intended outcome are usually attributed to agency loss coming because have not accomplished their given tasks, also known as bureaucratic drift (Schillemans and Busuioc, 2014: 8). Furthermore, P-A theory assumes that principals hold their agents accountable for their actions as best they can, given that monitoring mechanisms will never be perfect. Recently however, the predictive power of principal-agent models has been questioned when it comes to accountability (Schillemans and Busuioc, 2014). In contrast to what agency theory predicts, principals show signs of not caring about delegated tasks and negation of accountability processes. This involves failing to take in the relevant information (answerability), and failing to correct the behavior of agents when possible (enforceability). Evidence also shows that in certain cases agents are found to be highly committed to given tasks, willing to give over information to principals, and much less autonomous than agency theory predicts (ibid: 10). Thus, although agency theory often attributes failed outcomes to the problem of drifting agents, we also see accounts of what Schillemans and Busuioc call drifting principals; those principals that shy away from their accountability responsibilities.
Exactly *why* principals drift is not clear-cut. Busuioc (2013: 261) finds that one reason may be that principals are generally satisfied with the status-quo. Principals are also agents on behalf of a superior principal – and in situations where holding their own agent’s accountable means that they may face consequences – it would make sense to avoid accountability responsibilities.

### 3.4 RBM as an accountability tool

The positivist stream within agency theory is most interested in describing the governance mechanisms that solve agency problems (Eisenhardt, 1989: 51). Solving these problems is essentially the reason why contractual relationships between two parties arise in the first place (Jensen, 1983: 326). When comparing these theoretical assumptions about contract types (see section 3.1) to development cooperation, it follows logically that development aid agencies have engaged in RBM. The relationship between donors and recipients is contractual in nature; the principal assigns the agent to achieve certain outcomes, and contracts stipulate these outcomes. The objectives that are written in contracts often correspond with those that are set out in RBM style logical frameworks. This is required for any development initiatives to even receive any funding from the aid agencies in donor countries. Furthermore, P-A theory assumes that principals have limited information on the true motives, and actions of their agents. In the donor-recipient relationships within development cooperation, the information asymmetry problem is addressed through monitoring and evaluation, and the culture of reporting from agent to principal. Thus, in theory, RBM is used to secure greater answerability between recipients and donors.

RBM as a management technique also aims to secure the enforceability side of accountability, however, it is not clear whether RBM succeeds in this. Phase seven from Figure 2 shows that RBM should use performance information to implement organizational reforms, new policies and procedures. This does not directly address the explicit tools available to principals to enforce agents to follow through with agreed plans, but it does state that changes should be made based on performance.
3.5 Summing Up

This section has provided an overview of the theoretical framework for this thesis. It starts with an overview of the central tenants of principal-agent theory. P-A theory necessitates public delegation processes, which in turn creates the obligation for public accountability. The theoretical foundations for accountability have been presented here, along with a number of key accountability problems that arise in international development cooperation.
4 Analytical framework

In this section, I present the analytical framework that is used to answer the research questions of this study, and the hypotheses that will be tested.

The aim of this study is to find out what accountability looks like in practice within development cooperation, at the project level in particular. In section 2.5 I discussed the debate around accountability in development cooperation, this has mainly been centered around the idea that organizations should strive to move from a vertical understanding of accountability towards a horizontal one; where recipients answer to more than just their donors, and are accountable to their local parliaments, CSO’s or other independent groups. According to a number of peer reviews and progress reports from the OECD and UNDP, progress towards this goal has been limited (OECD and UNDP, 2014: 88), and thus it is compelling to take stock of those patterns of accountability that are in play in development cooperation.

Rather than conducting a large-N study to measure accountability patterns in recipient organizations, I have decided to take a small-N approach; digging a deeper into the organization level factors that may affect accountability, while at the same time using quantitative logic to identify correlations in the patterns of accountability. In this sense, the methodology of this study is mixed.

4.1 Operationalizing accountability

In section 3.2, a theoretical background of the term accountability was presented. Within the literature on accountability, the two main aspects of accountability between a principal and agent are answerability and enforceability. To operationalize the term accountability, I have adapted ideas from Brandsma and Schillemans article on measuring accountability (2012) and separated the term into four different dimensions: ‘Formal Information’, ‘Discussions’, ‘Positive Consequences’ and ‘Negative Consequences’. *Formal information* denotes the reporting system between the principal and agent that are set out in the contract. This may
cover things like: annual reports, evaluations, audit reports and the like. Much of the formal information flow from recipient to donor will be based on the RBM scheme that is used, and these may vary from relationship to relationship. The level of information, and the medium though which it is delivered shows one side of this dimension, but the extent and detail of reporting is an indicator that should be used as well.

The *discussions dimension* represents the linkages between the formal information phase, and the possible sanctions that may follow. Discussions may take a variety of forms depending on the context of the relationships, the main characteristic of a discussion is that it follows up on the formal information presented by the agents, and gives principals the ability to pose follow-up questions to agents. These talks help principal’s assess the behavior of the agent, and give them more knowledge on what the agents are actually doing. Discussions happening in this phase also give the agent a chance to defend their actions, and at the same time understand the real goals of the principal (Brandsma and Schillemans, 2012: 12). Measurements for discussions are not merely aimed at assessing the form and frequency of talks, but the intensity of them as well. This element of accountability is about each part getting their message across to the other through the exchange of views.

Both formal information and discussions make up the answerability side of accountability. When comparing to results based management, answerability is highly related to phases 4, 5 and 6 as shown in Figure 2.1, as it denotes the degree to which donors gather information on the results of recipient organizations.

The *consequences side* of accountability represents the extent to which principals can show their approval or disapproval towards the actions of agents. Rewards or sanctions are invariably sector specific; in development cooperation, it would not be acceptable for a principal to reward an agent with a financial bonus, which may have been acceptable in the private sector. Thus the question is – what are the alternatives given to principals to show agents that they are pleased or displeased with the actions of agents – and to what degree are these implemented in practice? I have included variables for both the negative and positive consequences donors can invoke towards recipients; these measure the enforcement side of accountability.
There is no phase within RBM that explicitly takes aim at implementing sanctions or consequences on agents who do not meet results expectations. However, phase seven in the RBM cycle discusses using performance information in decision making processes and, if necessary, to implement organizations reforms. This is one link between RBM and the enforceability side of accountability.

Principal-agent theory tells us that donors will gather information on the actions of recipients, after which they should implement consequences (either good or bad) in order to achieve their desired results. Based on the logic of P-A theory, I assume that the more information donors gather through formal channels and discussions, the higher degree of consequences we should see in those relationships. The following hypotheses are related to research question 1.1: *What are the connections between answerability and enforceability at the project level in development cooperation?*

**H1**: There is a positive connection between the flow of formal information and the number of consequences in the relationships between recipients and donors.

**H2**: There is a positive connection between the intensity of discussions and the level of consequences in the relationships between recipients and donors.

### 4.2 Accountability measurements

The measures listed below are based upon yes-or-no answers with intermediate “fuzzy” scores for some of the variables. Values for each of the variables are gathered from each recipient organization during the interview phase.
<table>
<thead>
<tr>
<th>Accountability Dimension</th>
<th>Measurement</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Formal information</strong></td>
<td></td>
</tr>
<tr>
<td>V1 Reporting</td>
<td>Recipient is required to send quarterly reports on the progress of project activities: Yes (1) annually (0.5) No (0)</td>
</tr>
<tr>
<td>V2 Extent of reporting</td>
<td>The report is higher than the average report length (1) the report is about average length (0.5), the report is below average (0)</td>
</tr>
<tr>
<td>V3 Evaluation</td>
<td>Has the project of program has received a formal evaluation in the past 3 years? Yes (1) or no (0)</td>
</tr>
<tr>
<td>V4 Audit frequency</td>
<td>Is the project or program required to send financial or audit reports to the donor? Yes (1) or no (0)</td>
</tr>
<tr>
<td><strong>Discussions</strong></td>
<td></td>
</tr>
<tr>
<td>V5 Meeting frequency</td>
<td>How often do you meet with this donor organization in the run of a year? Often, 4 or more times year (1) once a year (0.5) we don’t meet in person (0)</td>
</tr>
<tr>
<td>V6 Intensity of discussions</td>
<td>Are discussions with the donor organizations about getting your point of view across, and vice versa? Or merely coordination and planning? Yes, almost always (1) Sometimes (0.5) Never (0)</td>
</tr>
<tr>
<td>V7 Phone/e-mail/chat frequency</td>
<td>How often do you discuss project activities on the phone, e-mail or chat? Every other month (1) once or two times year (0.5) never (0)</td>
</tr>
<tr>
<td><strong>Negative Consequences</strong></td>
<td></td>
</tr>
<tr>
<td>V8 Funding reduction</td>
<td>What happens with funding when there is a lack of results on the part of the agent? Is reduced substantially (1) Is reduced minimally (0.5) Is not removed (0)</td>
</tr>
<tr>
<td>V9 Criticism</td>
<td>Has the agent received formal or informal criticism for what the principal perceive as poor performance? Yes (1) Some (0.5) No (0)</td>
</tr>
<tr>
<td>V10 Firing of staff</td>
<td>Have any personnel been let go due to lack of performance? Yes (1) staff were moved to a different department (0.5) No staff have been fired (0)</td>
</tr>
<tr>
<td>V11 Program adjustments</td>
<td>Has the program or project been adjusted in a negative way due to feedback from performance measurement? Yes (1) No (0)</td>
</tr>
<tr>
<td><strong>Positive Consequences</strong></td>
<td></td>
</tr>
<tr>
<td>V12 Compliments</td>
<td>Has the program officer or organization received formal or informal compliments for what the donor perceives as good performance? Compliments may include: publishing of recipients results by a donor or simply verbal affirmation. Yes (1) No (0)</td>
</tr>
<tr>
<td>V13 Funding increase</td>
<td>Has there been a funding increase due to positive performance on the part of the agent? Yes, substantially. (1) Some increase (0.5) Never (0)</td>
</tr>
<tr>
<td>V14 Program adjustments</td>
<td>Has the program or project been adjusted in a positive way due to feedback from performance measurement? Yes (1) No (0)</td>
</tr>
</tbody>
</table>
After data was collected during the interview phase, answers from respondents were coded and aggregated in each category, giving each relationship an aggregated score along each dimension of accountability. The resulting scores for the relationships will be classified according to the table below. Both ‘formal information’ and ‘discussions’ can be combined together to give a picture of the total information exchange between donor and recipient. Likewise, both positive and negative consequences can be added together to give a total score for the consequences dimension. Both of these aggregated scores form a scale from 0 – 7.

### 4.3 Control variables

To account for organization-level factors that explain variance in the consequences side of accountability, I include two additional control variables that could be thought to have an effect on the level of enforceability in the relationships. These are grant size and relationship length. The financial size of the grant given to the recipient may play a significant role in how much time and effort a donor puts into that particular relationship, it is therefore an important variable to control for. Likewise, the length of the relationship is included as there may be different dynamics in play in the beginning phase of donor-recipient relationships, when compared to more established relationships. For example, negative consequences may be prevalent in the start phase as organizations are in a learning phase, while organizations that have cooperated for long periods of time would not be expected to have large levels of negative consequences between them because we would assume that routines would be established over time.

### 4.4 Ability to invoke consequences vs. frequency of use

It is given that donors have a repertoire of sanctions available to use towards recipients. If a donor simply doesn’t have means or permission to invoke consequences, they cannot be referred to as ‘drifting’. On the other hand, in situations where donors (1) have the ability to invoke consequences (2) should invoke those consequences and (3) do not invoke the
consequences, we can say that these donors are neglecting their responsibility to hold recipients accountable, and therefore are drifting.

This problem of drifting principals has been seen in the development sector as well. In Norway, development experts have noted that there are very few – possibly no instances at all, where development initiatives have been discontinued due to poor quality within the project (Eggen, 2014). Based on the drifting principal thesis, and evidence pointing to a lack of consequences in development cooperation, I expect that the cases in this study will also succumb to this problem, in the form of donors neglecting to hold recipients accountable with the sanction/consequence mechanisms that are available to them. The following hypothesis relates to research question 1.2; *to what degree do donors use their enforceability towards recipients?*

**H3:** In the majority of instances where donors can invoke positive or negative consequences, they neglect to do so.

### 4.5 Horizontal accountability

The final aspect of accountability that is investigated is the presence of horizontal accountability mechanisms in the relationships between donors and recipients. This aspect is directed as research question 1.3; *to what degree do recipients practice horizontal accountability?* During interviews organizations were asked; (1) to whom they were accountable to other than donors; (2) in what way they were accountable to them and (3) if this accountability relationship had any effect on their projects or relations with relevant donors.

The purpose of investigating this aspect of accountability is twofold; firstly, the horizontal dimension of accountability should be included in any analysis of accountability as it represents the inclusion of stakeholders and the broader public. The aim will be to see how this dimensions affects recipient organizations, and if it distorts the accountability process in the principal-agent relationship. Secondly, it is to see if they matched the expectations of horizontal accountability from the literature. In order to be classified as a horizontal
accountability mechanism the accounting forum needs to be independent from the donor and recipient, and not be hierarchically superior to the donor (Schillemans, 2014: 7).

4.6 Summing up

This section has provided the overall framework that will be used to answer the research questions of this study. Firstly, accountability is systemized into a two dimensions; answerability and enforceability. Then, a group of seven indicators for each of these dimensions are developed in order operationalize the concept. Next, I presented two control variables that will be evaluated. Finally, I describe the two remaining areas that will be investigated in this thesis; how often donors invoke consequences, and the degree to which recipients practice horizontal accountability. Throughout this chapter I have also presented the hypotheses that will be discussed in chapter seven.
5 **Methodology**

This study employs a mixed strategy of case and cross-case methodology. The nature of the research questions will also involve hypothesis testing, and therefore best suited for cross-case analysis. The number of cases is relatively low for a cross-case study, and therefore allows for a more in depth analysis than simply identifying the effects of X on Y; it allows me to dig a bit deeper into each case and look for the pathways from X to Y as well.

5.1 **Case selection**

A case study is the intensive study of a single case where the purpose of that study is - at least in part - to shed light on a larger class of cases (a population) (Gerring, 2009: 20). This study aims to identify the effect of answerability on enforceability, and uncover how often enforceability is utilized within development cooperation. To investigate this, I have selected four organizations that represent typical recipient organizations of Western aid. The countries of Ethiopia and Kenya have been selected as the location for the recipient organizations, as they are two countries that receive large amounts of aid; both countries were among the top ten recipients of ODA in the period of 2011 – 2015 (World Bank, 2015). Moreover, Ethiopia and Kenya share a close geographic location and climate in Eastern Africa. However, the two countries differ greatly when it comes to state governance. Ethiopia is generally classified as an authoritarian state which has not had a regime change in 25 years, while Kenya on the other hand, implemented democracy around 25 years ago and has had a growing system of political participation since then.

The four organizations that have been used as selected for this study have been selected from different thematic areas of operation that cover a broad area of development interventions. The organizations have been made anonymous as to insure the integrity of their relationships with donors. These organizations should *not* be regarded as individual cases in themselves, rather, the units of analysis in this study will be the *relationships* between the four organizations and their external donors; these are typical cases of donor-recipient relationships (typical merely to the criteria that is to follow). In total, there are 13 donors
that contribute to these four organizations, thus, there are 13 cases of donor-recipient relationships. I expect that the variation of interest will be located in within these relationships.

**Table 5.1 Case selection criteria**

<table>
<thead>
<tr>
<th>Recipient contractor criteria</th>
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</thead>
<tbody>
<tr>
<td>1. A locally based organization that receives funding one or more donors in northern countries, from multi-lateral sources, or from a mother organization.</td>
<td></td>
</tr>
<tr>
<td>2. Have targeted initiatives or projects aimed at local citizens in the country of operation (beneficiaries).</td>
<td></td>
</tr>
<tr>
<td>3. Works within a thematic area considered important to human development (i.e. human rights, democratic development, education, strengthening civil-society, health initiatives, gender equality, etc.).</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Donor-recipient relationship criteria</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. There is a flow of resources from the donor to the recipient.</td>
<td></td>
</tr>
<tr>
<td>2. The recipient should answer to the donor for their use of donor funding.</td>
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</tbody>
</table>

**5.2 Interviews with program officers**

The main method for gathering data in this study is through interviews with key informants. The structure of the organizations used in this study is such that individual program officers are responsible for contact with the donors that support their programs. I interview each staff member who is responsible for the different donor relationships in their organization. The interview style was a combination of structured and semi-structured interviewing. The interviews aim mainly to gather specific values that correspond with the variables listed in the analytical framework. The answers to each question were given certain values beforehand, and coded accordingly; resembling a survey style of questioning. This turned out to be useful as I had to gather a lot of data from each subject, so the specificity of questions was helpful in keeping interviews from going overtime. It should be noted that informants were given the chance to expand on their answers where they felt that it was necessary, and in some cases additional probing questions were asked to gain more in-depth
information. This was suitable because it gave the informants the ability to explain their responses and provide more information when needed (Brewerton and Millwards, 2001: 70)

I gained contact with informants by e-mailing each organization and informing them of the nature of the study and asking if they were willing to participate. Some organizations requested that the interviews be made anonymous for fear of revealing information about their donors that might have an impact on their relationship. This led me to anonymize all informants in this study. The interview process went smoothly as participants were eager to contribute. Interviews were conducted at each organization’s offices in Nairobi, Kenya and Addis Ababa, Ethiopia.

5.3 Document review

In addition to interviews, key documents were reviewed to gain insight into the control variables used in this study. Moreover, they gave insight into the programs between each donor organization and the recipient. There were two main types of documents that were requested in each recipient organization. Firstly, their strategic plans were reviewed, these outlined the size and scope of projects, and the length of the relationship between donor and recipient. In some cases, the organizations RBM manuals or guidelines were reviewed. These provided valuable background information that give a picture of each organizations experience with RBM.

5.4 Internal vs. external validity

Internal validity is concerned with the degree of certainty we can say there is a causal relationship for the sample of cases included in the study. External validity is concerned with how far we can generalize these findings to a broader population that has not yet been studied. One of the main strengths of case study research is its high degree of internal validity, while cross-case studies are associated with a higher degree of outward
representation of the findings (Gerring, 2009: 43). This study is limited to four recipient organizations, with a total of 13 donor-recipient relationships. This provides a high degree of internal validity as I have conducted interviews, and document analysis of each of the cases specifically, giving me contextual understanding of each case. Externally, I will not argue that the aspects tested in a cross case manner are generalizable to all donor-recipient relationships, mainly because the population of the study is not large enough. However, I do hope that this study will contribute to knowledge and insight into accountability mechanisms in play at the project level in development cooperation, something that may contribute to further research within this area.

Although the results may not be generalized much farther than the sample of this study, some additional caveats should be noted about the nature of these cases with respect to the context. Firstly, within development cooperation in general, we can separate between those initiatives that produce results that are easy to measure quantitatively, and those that are more difficult to measure and require higher degrees of qualitative analysis to identify causation and attribution between their work and the results of the initiative. An example of an initiative where is it “easier” to measure results is vaccine programs, where the simple counting of vaccines given to beneficiaries is argued to be a results that shows causality in itself. On the other hand, many development initiatives that work with complex themes like democratic development, capacity building, strengthening civil society or gender equality, have much more complex systems for measuring results and showing attribution. These types of initiatives have often fallen within the debate on development effectiveness because of the inherently difficult nature of measuring the outcomes of such interventions. The cases used in this study are based on those organizations that work towards socio-political outcomes that are qualitative in nature, and thus the process of identifying causation is extensive, and seldom conclusive. Thus, any findings that can be generalized to other relationships development cooperation, should be directed towards those programs that are qualitative in nature.

Secondly, this study will focus on the accountability process from the perspective of the recipient organization as opposed to looking at factors form the side of the donor. Although there are certainly factors hindering or contributing to accountability that may never be seen
from the perspective of the recipient, the focus of this study will remain on the recipient’s side of the accountability issue.

### 5.5 Measurement validity

The overall aim of this paper is to answer the research questions and test the subsequent hypotheses about accountability between donors and recipients within the cases of this study. In order to do so, an analytical framework was developed in the previous chapter to operationalize the concept of accountability at the project level; this provided the necessary data to aid in answering the research questions. Before inferring that this data is valid, one should ask how well the observations in this study capture the concept of accountability that has been presented; this is the question measurement validity is most concerned with (Adcock and Collier, 2001: 529).

Adcock and Collier (2001) develop a framework for measurement validity based on four levels. The first level is the *background concept*, which entails the broader meanings and understandings that can be connected with a given concept. The second level is the *systemized concept*, which is a certain formulation of the background concept that is utilized by a scholar or group of scholars, the systemized concept often takes the form of a specific definition (ibid: 531). The third level consists of *indicators* for the systemized concept; also referred to as measures and operationalisations. These indicators are then used to generate *scores for cases*, which is the fourth level; these are numerical and are the final result of the classification process. A valid measurement is attained when the scores (level 4), that come from indicators (level 3) provide a meaningful interpretations of a systemized concept (level 2).

The logic of Adcock and Colliers framework for measurement validation was used when operationalizing accountability in this this study, Figure 5.1 below shows the four levels.
Level one denotes the broad concept of accountability. Level two is the systemized definition of accountability; the most common scholarly definitions of accountability entail the dimensions of answerability and enforceability, hence their place here. There are contested aspects of this concept, like how to account or whom to give an account to, but the two dimensions given here are generally accepted in the literature. Level three represents the different groups of indicators for each dimension of answerability and enforceability (Table 4.1). Indicators were developed with the context of development cooperation in mind; for example, certain consequences that are simply unavailable to donors, like giving personal bonuses to recipients, were excluded. Finally, level four is represented by the individual scores given to the two main dimensions of accountability for each case included in the study.

It is outside the scope of this paper to embark on a validation of the concept of accountability (content, convergent or construct validity); it nevertheless relies on the logic of measurement validity when connecting the observations in the field with concepts discussed in the literature. The observations will, albeit modestly, contribute to an operationalization of the concept of accountability specific to development cooperation at the project level.
5.5.1 Measurement validity concerns

There are potential threats to the measurement validity of this thesis. The foremost being the interview process that provides the basis for measuring some indicators of accountability. Respondents are asked about what consequences they have experienced in their relationship with donors, in some cases this may imply their own wrong doing and represent a threat to their organization. This is something that respondents may have been hesitant to tell a student from abroad like myself. This issue is a potential systematic bias in data gathering process.

To shield against this bias, I anonymized all the organizations and program officers included in the study. I experienced that this made them speak openly during interviews. Whether it was due to the anonymity or not, I found that program officers were open and willing to share information on when they experienced consequences, which shows that they admit their own “failure” in some cases. Based on this I find that the risk of systematic bias while answer on their own shortcomings to be low.

Another potential bias in the data is about the what recipient organizations are willing to say about the way donor treat them. On the one hand, program officers seem open to talk about their own shortcomings, but they may be hesitant to talk about instances when donors didn’t meet their expectations. I became aware of this potential bias before I started the field work for this thesis. During the case selection process, I was granted access to an organization that, at the time, represented the bulk of potential data for this study. When the organization received further information about nature of this study, and it’s focus on accountability, I received notice from the recipient headquarters in North America that I no longer had access to the recipient organization. While on field work I was told by a source within that organization, that recently a master’s student had written about a critical aspect of this organization, something which was then read by a donor organization who then brought this up with the recipient. This shows that recipients are aware of the potential for back-lash in their relationships with donors.
5.6 Reliability

In social science research, reliability is concerned with how precisely the operationalized variables are measured. This covers things like; how dependable methods for gathering data way, or how well interviews were transcribed and if answers were coded in a correct way (Bryman, 2004: 70). In chapters four and five, I have provided the overview of how accountability will be measured, and how I will code and interpret the results. Moreover, the interview and document review procedures have been discussed. These factors contribute to strengthening the reliability of this study, giving the reader the ability to judge the conclusions properly. One may question the intersubjectivity of the interview and coding process, and ask whether others would come to the same results if they completed the tasks with the same data material. Again, to secure reliability as much as possible, I have coded the results as accurately as possible, fully transcribed interviews and referred to them as the main source of data, furthermore I have coded the data multiple times in order to secure that I received the same results.
6 Empirical evidence

In this section I start by giving an overview of the organizations that participated in the study. Each organization has been made anonymous in order to protect their integrity towards their donors. Next, I present the data within the form of the analytical framework that was presented in the chapter four.

6.1 Overview of cases

A total of four recipient organizations were reviewed. These have been labeled A, B, C and D. Each organization has a certain number of donors; these are labeled from 1-4 for each recipient organization. Within each recipient organization, program officers are responsible for contact with a specific donor; they are labeled according to the donor who they are responsible for. For example, program officer A1 is responsible for Organization A's contact with donor 1. In total, there are 13 cases of donor-recipient relationships within these four organizations. All donor-relationship for each organization were included in the study, there was no sample selection. Table 6.1 provides an overview

Table 6.1 Overview of cases

<table>
<thead>
<tr>
<th>Program Officers</th>
<th>Organization A</th>
<th>Organization B</th>
<th>Organization C</th>
<th>Organization D</th>
</tr>
</thead>
<tbody>
<tr>
<td>A1</td>
<td>A1</td>
<td>B1</td>
<td>C1</td>
<td>D1</td>
</tr>
<tr>
<td>A2</td>
<td>A2</td>
<td>B2</td>
<td>C2</td>
<td>D2</td>
</tr>
<tr>
<td>A3</td>
<td>A3</td>
<td>B3</td>
<td>C3</td>
<td>D3</td>
</tr>
<tr>
<td>A4</td>
<td>A4</td>
<td>B4</td>
<td>C4</td>
<td>D4</td>
</tr>
</tbody>
</table>

Organization A is based in Kenya. This organization has existed since 2004 and has four donors. They are currently experiencing a lower phase of donor support; in 2011 they were operating with a total budget of 1.4 million USD, while in 2015 that number is down to
around 500,000 USD. They attribute this loss of funding to the decreasing support to aid agencies in their primary donor countries in Europe. Their current portfolio consists of four different programs each financed by different donors, thus they contribute four cases to this study. All four program officers were interviewed about their relationships with the various donor organizations, and the executive director of the organization was also interviewed about the organization in general. Organization A is well versed in RBM, and has developed their own policy documents for planning, monitoring, evaluation and learning.

The second organization, organization B, is an Ethiopian NGO with extensive experience in implementing various development projects all over their country, financed by external donors. Their main area of focus is early childhood education, child sponsorship projects, and well-drilling projects. All of their programs with external donors have RBM systems that are used for project management. The organization has not developed any of their own systems for results reporting, and in general the organization seems to adapt to the requirements of each donor as needed. The organization currently has four projects supported by international donors; Norway, the United States, Germany and Canada. The secretary general for the organization was interviewed and provided data on all of the donor relationships. Organization B contributed four cases to this study.

Organization C is based in Ethiopia, and works mainly to improve health service delivery in Ethiopia. The organization has 8 projects currently implemented in periods of three, five and ten years. The organization has one main donor from the United States, and uses their donor’s RBM systems for project management. Two program officers were interviewed on their relationship with one donor and organization C contributes only one case to this study.

The fourth participant, organization D, is also based in Ethiopia. This organization had the highest number of programs and highest level of financing from donors. Organization D relies on the support from their mother organizations in many partner countries, but within the scope of this study, donors from their mother organizations in Canada, the US, Hong Kong and South Korea were used. One program officer who is responsible for 4 donor relationships was interviewed on each relationship. Therefore, Organization D contributes
four different cases to this study.

6.2 Answerability data

The full table of measurements for all variables can be seen in appendix 2, while the aggregated scores are shown in table 6.2 below. Median scores were used in order to prevent potential skewedness in the totals that may come by using averages. The first dimension measured was the flow of formal information from the recipient to the donor. This consists of results reporting and the extent of this reporting, financial reporting and evaluations (Variables 1-4). The median score for relationships along this dimension was 3, out of a possible 4. All recipient organizations had varying degrees of results reporting to donor organizations, and all recipients had to report on the financial status of their projects. The extent of reporting varied among the organizations, as did the frequency of evaluation of their projects. Overall, according to the data gathered here, formal information was the most established dimension of accountability within the relationships. For example, as a program officer from organization A put it:

“Planning, monitoring, evaluation and learning concepts are actually driving this organization. We need to show the outputs, outcomes and impacts - they (the donors) are very precise on that.” (Program Officer A2)

In the cases of A and B, there did not seem to be organizational level factors influencing the level of formal information that is transferred to the donor, as the scores vary from case to case. However, with C and D, standardized reporting routines at the organizational level contributed to these cases having similar scores on the formal information dimension. One program officer for made clear that standardized reporting also framed the overall picture of information in donor’s interests;

“Our reporting is very standardized, because -Donor C- sends us the reporting formats a month before each report is due. They ask everything they want to know in the reports, and we just work on that” (Program Officer C1).

The second dimension measured was discussions between recipients and donors. This was
measured by the number of times donors met with or communicated with donor, the channels of these communications, and the intensity of discussions (see variables 5 – 7). The median score on discussions was 2.5, out of a possible 3. This indicates that this dimension of answerability is also relatively high in the relationships. Respondents noted that discussions were often about clarifying things written in reports, so the donor could have a better picture of the results of activities. When it came to the intensity of discussions (variable 6), organizations differed greatly. Organization B scored the lowest in nearly all relationships on intensity of discussions. The program officer for Organization B noted that when discussions took place with donors, they were usually about coordination of project activities, rather than an exchange of viewpoints or values. On the other hand, organization A, C and D, scored higher in this regard, indicating that discussions were often an expression of the visions of each side.

Overall the dimension of answerability was comprised of formal information and discussion between donors and recipient. The median score for all cases was 4.5 out of a possible 7, indicating a moderate level of answerability towards donors.

### 6.3 Enforceability data

Negative consequences for recipient organizations were measured and gave a median score of 0.5 out of a possible 4. This was the lowest scoring dimension of accountability that was found. The highest scoring relationships for this dimension was between organization C and donor C1, and organization D and donor D4. Program officers from both of these organization stated that in their experience donors from the United States and Canada were those that imposed the most consequences on their organizations.

Positive consequences were more widely used than negative ones, the median score for all cases was 1 out of a possible 3. The most common type of positive consequence used by donors was verbal or written compliments, publishing results in their home countries. Moreover, Donor A2 incorporated successful practices from Organization A into best practice manuals that may be used elsewhere.
Overall, the enforceability dimension had a median score of 2 out of a possible 7. This shows a dissonance relative to the level answerability present in the relationships.

### Table 6.2 Aggregated scores of accountability dimensions

<table>
<thead>
<tr>
<th>Relationship</th>
<th>Answerability</th>
<th>Enforceability</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Formal</td>
<td>Discussions</td>
</tr>
<tr>
<td>Org. A</td>
<td>Score</td>
<td>Score</td>
</tr>
<tr>
<td>1</td>
<td>3</td>
<td>2.5</td>
</tr>
<tr>
<td>2</td>
<td>4</td>
<td>2.5</td>
</tr>
<tr>
<td>3</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>4</td>
<td>1.5</td>
<td>0.5</td>
</tr>
<tr>
<td>Org. B</td>
<td>Score</td>
<td>Score</td>
</tr>
<tr>
<td>1</td>
<td>4</td>
<td>1.5</td>
</tr>
<tr>
<td>2</td>
<td>3</td>
<td>1.5</td>
</tr>
<tr>
<td>3</td>
<td>1.5</td>
<td>1</td>
</tr>
<tr>
<td>4</td>
<td>2.5</td>
<td>2</td>
</tr>
<tr>
<td>Org. C</td>
<td>Score</td>
<td>Score</td>
</tr>
<tr>
<td>1</td>
<td>3.5</td>
<td>2</td>
</tr>
<tr>
<td>Org. D</td>
<td>Score</td>
<td>Score</td>
</tr>
<tr>
<td>1</td>
<td>3</td>
<td>2.5</td>
</tr>
<tr>
<td>2</td>
<td>2</td>
<td>2.5</td>
</tr>
<tr>
<td>3</td>
<td>2</td>
<td>2.5</td>
</tr>
<tr>
<td>4</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Median Scores:</td>
<td>3/4</td>
<td>2.5/3</td>
</tr>
</tbody>
</table>

#### 6.4 The effects of answerability on enforceability

Figure 6.1 shows the level of formal information measured in each case along the X-axis, and the corresponding level of positive and negative consequences for that relationship along the y-axis. Here, the scales of both positive and negative consequences have been changed to a measure between 0 and 1 in order to be equally compared to each other. The plot shows a positive correlation, indicating that the amount of negative consequences a recipient organization received increased as the level of formal information in that relationship increased. Likewise, we see that the number of positive consequences increases as the formal
information increases. When comparing the difference between positive and negative consequences, we see that the positive consequences are, overall, more widely used than negative ones.

This plot does not tell us why or how formal information leads to a level of higher consequences in organizations, simply that it is there. When interviewing program officers, they provided more insight into the why and how of the connection between answerability and enforceability. They showed a clear association between donors who required more formal information and those who invoked more consequences. This was most evident with variable 2, the extent of reporting; when asking one program officer about the relationship between Organization B and Donor B1, and how the extent of the reporting faired when comparing to their organization’s other donors, they noted how results reporting is directly connected with program adjustments:

“ Their reporting schemes are extremely extensive, they are focusing on what kind of results we are achieving year in and year out – not just whether we are completing our activities or not. If you are not achieving results, you’d better be looking for another place to put a Shilling or Euro.” (Program Officer B1)
Figure 6.1 The effects of formal information on consequences

Figure 6.2 shows similar findings to that of figure 6.1. The X-axis shows the measurement of the intensity of discussions, with the level of consequences on the Y-axis. There is a slight positive correlation between the intensity of discussions between donor and recipient, and the level of consequences the recipients receive. The figure also shows that positive consequences are more widely used than negative amongst the cases reviewed here.

The overall trend we see in figure 6.2, is also confirmed by statements of program officers during interviews. When being asked about the intensity of discussion (variable 6), the program officer from organization A noted that discussions played an important factor in the response they get from donors:

“We strive to make things clear in our reports, but we find that we are constantly discussing these issues. Sometimes it takes them coming here and seeing with their own eyes what the results actually look like. (...) The more we are open and candid about what is happening, the more we get feedback from -Donor A1- “(Program Officer A1).
6.5 Control variables effect on enforceability

Table 6.3 shows the control variables that were used to determine whether factors like the size of a donors grant or the length of the relationship determine the degree to which consequences are implemented at the project level. To see if these variables had an affect on the dependent variable, I will categorize the results into low and high groups. For grant size, the median value is 180 000 USD per year, I chose this as the cut of point and grouped all values above it into the high category, and the rest in the low category. Similarly, the median value of relationships length is 11 years. This variable was dichotomized, with all relationships over the median being placed in the high category.
Table 6.3 Control variable values

<table>
<thead>
<tr>
<th>Relationship</th>
<th>Grant size (USD)</th>
<th>Relationship length (years)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Organization A</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>150 000</td>
<td>11</td>
</tr>
<tr>
<td>2</td>
<td>50 000</td>
<td>4</td>
</tr>
<tr>
<td>3</td>
<td>100 000</td>
<td>3</td>
</tr>
<tr>
<td>4</td>
<td>200 000</td>
<td>5</td>
</tr>
<tr>
<td><strong>Organization B</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>180 000</td>
<td>10</td>
</tr>
<tr>
<td>2</td>
<td>100 000</td>
<td>11</td>
</tr>
<tr>
<td>3</td>
<td>13 000</td>
<td>4</td>
</tr>
<tr>
<td>4</td>
<td>180 000</td>
<td>12</td>
</tr>
<tr>
<td><strong>Organization C</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>2 000 000</td>
<td>10</td>
</tr>
<tr>
<td><strong>Organization D</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>560 000</td>
<td>40</td>
</tr>
<tr>
<td>2</td>
<td>950 000</td>
<td>32</td>
</tr>
<tr>
<td>3</td>
<td>1 300 000</td>
<td>29</td>
</tr>
<tr>
<td>4</td>
<td>720 000</td>
<td>40</td>
</tr>
<tr>
<td><strong>Median</strong></td>
<td><strong>180 000</strong></td>
<td><strong>11</strong></td>
</tr>
</tbody>
</table>

Figure 6.3 is based on the information from Table 6.3 and the consequences in the relationships. Each graph shows the dichotomous grant size on the X-axis, and the level of negative and positive consequences respectively on the y-axes. The smoothing lines in the scatter plots show that there is not much change in the level of consequences when going from projects with low financing, to those with high financing. However, we see a slightly steeper slope in graph A, indicating that negative consequences increase more than positive ones, in higher financed projects.
Figure 6.3 Grant-size effect on consequences

Likewise, figure 6.4 plots the level of positive and negative consequences against the length of relationships between donors and recipients. Here we see no significant differences between the level of negative consequences in longer relationships when compared to those that are shorter, and the same goes for positive consequences.

Figure 6.4 Length of relationship effect on consequences
6.6 Availability and use of consequences

During the interviews, respondents were asked whether their donors had the ability to invoke each of the seven possible consequences. Table 6.4 shows that for the majority cases, donors had the ability to invoke consequences towards their recipients. In all the relationships, donors had the ability to reduce the funding towards recipients, while this consequence was only used in 23% of the relationships. Donors had less of an availability to increase funds to projects (this was due to the fact that some donors could not make those decisions on their own, and needed confirmation from other government agencies in the donor country before granting additional funds). Still, funding increases only happened in 23% of the relationships.

Verbal and written consequences like criticism and compliments were the most widely used form of consequences towards recipients. Recipients noted that the most common form of positive compliments they received were when donors published results of projects in their home country, or by incorporating their local practices into best practice manuals that were to be used in similar programs. When it comes to negative consequences, criticism was the most widely used by donors. Respondents noted that criticism was often informal, and came during the discussion phase of the information exchange.

Firing of staff as a negative consequence was the most seldom used of all consequences. Although respondents noted that in the majority of cases, donors had the ability to fire staff in cases of poor performance, there was a culture of not utilizing this sanction because it was seen as too intrusive on their organizations, thus staffing was generally left up to the recipients.

Program adjustments entail a shifting of resources based on the results achieved by the recipient organization. This may be in the form of scaling up those activities that produce results or phasing out those that do not, or it could be expanding or limiting the scope of
project activities, or simply extending or reducing the length of the initiative. The table shows that in nearly all the relationships that were reviewed, donor had the ability to adjust programs positively or negatively based on the performance of recipients. Program adjustments of a positive nature were made 46% of the time, while adjustments of a negative nature were made 23% of the time. Thus, overall we see that ability to use consequences is widespread, while their usage is less prevalent.

**Table 6.4 Abilities of donors to impose consequences and frequencies of their use**

<table>
<thead>
<tr>
<th>Consequences</th>
<th>Ability to Use (%)</th>
<th>Frequency of Use (%)</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Negative</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>V1: Funding Reduction</td>
<td>100 %</td>
<td>23 %</td>
<td>13</td>
</tr>
<tr>
<td>V2: Criticism</td>
<td>100 %</td>
<td>69 %</td>
<td>13</td>
</tr>
<tr>
<td>V3: Firing of Staff</td>
<td>76 %</td>
<td>8 %</td>
<td>13</td>
</tr>
<tr>
<td>V4: Program Adjustments</td>
<td>100 %</td>
<td>23 %</td>
<td>13</td>
</tr>
<tr>
<td><strong>Positive</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>V5: Compliments</td>
<td>100 %</td>
<td>69%</td>
<td>13</td>
</tr>
<tr>
<td>V6: Funding Increase</td>
<td>76 %</td>
<td>23%</td>
<td>13</td>
</tr>
<tr>
<td>V7: Program Adjustments</td>
<td>92 %</td>
<td>46 %</td>
<td>13</td>
</tr>
<tr>
<td><strong>Average:</strong></td>
<td>92%</td>
<td>37%</td>
<td>13</td>
</tr>
</tbody>
</table>

**6.7 Horizontal accountability**

All organizations were questioned on which forums they gave an account to outside of their donor groups, and how this affected the management of their projects. Some recipients exhibited signs of what can be called horizontal accountability, while others exhibited forms of vertical accountability to actors outside their donor groups.
Organization A has a comprehensive system of overseer boards that each program is accountable towards. The overseas board is collapsed into committees for the various thematic areas that each particular program works with. Program officers for each donor relationship report to these boards on a regular basis; however, the boards had no sanctioning authority over programs.

Organizations B and C had stakeholder boards to which they reported to on the results of their programs. No boards had any degree of enforceability over recipient organizations, however they do have an important influential role in the direction and content of program activities. Although giving an account to the independent boards was in fact voluntary, while interviewing program officers there was a sense that the culture of reporting to these boards was so normalized within the organizations that it had become expected. One program officer noted “Meeting with them (the board) is necessary, it’s part of our normal routine” (Program Officer, B-1).

Organization D had the most vertical organizational structure of all the cases in this study. The local organization in Ethiopia was a branch of an international organization. The mother organization dictated policy for the local Ethiopian organization and country directors were sent directly from the international headquarters. When it came to actors outside of the donor group; they had to report to their own board of overseers, who functioned as an advisory body but had no enforcement capabilities. The local organization also reported to the organization’s international board, who did have enforceability over the recipient. However, this arrangement could not be called horizontal as it was not voluntary, and the board has no members from the recipient country – let alone stakeholders in project initiatives.

In Kenya, none of organization A's program officers gave an account on progress of project activities to their own authorities in the government, the media, or civil society groups. Program officer A-3 noted that there were “no channels” of reporting to government, and they could not name instances of when civil society groups in their own country required them to give an account on their actions.
In Ethiopia, on the other hand, all the relationships between recipient and donors were to be reported on to both the local and national government. Results reporting to the government is standardized for all organizations working with development initiatives; all recipient organizations working in Ethiopia have to give an account on progress each year to their local government and to the national government. Moreover, the local government conducts yearly evaluations, and the national government conducts end-term evaluations.

Program officers in the Ethiopian cases noted the comprehensive oversight from the government on project activities. During an interview, Program Officer B-1 remarked “They are keeping a close watch on all of our activities”. Other program officers in Ethiopia confirmed that this was due to the Proclamation on Charities and Societies that was implemented in 2009, this law provides explicit restrictions for NGO’s operating in Ethiopia, most notably restricting NGO’s with foreign financing from working within the areas of democratic rights, equality among nationalities, gender and religions, and other foundational human rights (Source). The implementation of this law brought with it the need for a detailed oversight of the activities of NGO’s; hence the extensive reporting and evaluation routines.

The reporting to the Ethiopian authorities is not voluntary, and they do have the authority to place sanctions on the activities of recipient organizations even though they are not the main principal in this case. The implications for the organizations that come from giving account to the government and possible consequences they may face were not discussed at length during interviews with Ethiopian program officers.

6.8 Standardized reporting routines

While conducting interviews with informants, certain organizational-level components emerged as factors that may contribute to the level of consequences present in the relationships with donors. One of these was standardized reporting routines. The program officer for Organization D noted that all aspects associated with the formal information dimension were standardized across donors. This was possible because each donor organization was part of an international network of that same mother organization. When asked how this affected the relationship with the different donors, the program officer noted
that it was challenging in those instances where comprehensive reporting may not be necessary, but because of protocol they had to meet the standardized requirements. On the other hand, standardization saves time and energy in relating to various donor’s requirements. When looking at the scores on formal information for organization D, we see that scores were quite homogeneous internally. Moreover, organization D scored highest on the formal information dimension (shared with organizations A), and scored the highest on average level of sanctions among donors.

Organizations A and B had to relate to 4 different donors each, and thereby adapt to 4 different reporting routines. Although each program officer is responsible for each donor, and therefore they do not necessarily have to acquaint themselves with all the requirements for each donor, it is conceivable that there would be room for effectiveness within the recipient organization if they had a common reporting scheme to relate to, rather than four different ones.
7 Discussion

In this section, I will interpret and discuss the findings that were presented in the previous chapter in light of the theoretical expectations on accountability and principal-agent theory. First, I discuss the three sub-questions of this study, after which I will discuss the results in light of the broader debate on accountability in development cooperation. Finally, I will discuss the main research question of this study.

Main Research Question:

1. What characterizes accountability between donors and recipients of foreign aid?

Sub-Questions:

1.1 What are the connections between answerability and enforceability at the project level in development cooperation?
1.2 To what degree do donors use their enforceability towards recipients?
1.3 To what degree do recipients practice horizontal accountability?
7.1 Matching the results to principal-agent theory

**Research Question 1.1:** Connection between answerability and enforceability

**H1:** There is a positive connection between the flow of formal information and the number of consequences in the relationships between recipients and donors.

**H2:** There is a positive connection between the intensity of discussions and the level of consequences in the relationships between recipients and donors.

The context of this study in light of P-A theory is that donors acting as principals, hire recipient contractors as agents to fulfill projects that have the aim of improving development for beneficiaries in the partner country. Recipient contractors have more information on their own motives and actions than donors do, and they may use this to their own advantage. Due to this information asymmetry between the two parts, donors engage in Results Based Management schemes in order to gather information on the actions of agents to ensure their own rational decision making. Under the assumptions that principals are in fact rational, the more information on the actions of their agents they have, the more should sanction agents accordingly, be it positively or negatively.

Hypothesis 1 builds on these assumptions, and expect that the flow of formal information will be positively connected with the number of consequences in the relationship between donor and recipient. The empirical data in the previous section confirms this in two ways. Firstly, the cases included in this study show that, on average, the more formal information a principal has on the action of agents, the more consequences the agent experienced. Secondly, program officers confirmed that the flow of formal information is in fact associated with the consequences they receive from their donors. Thus, we can reject the null hypotheses for H1 and assume that the more formal information donors have – the more they sanction recipients accordingly.
These results are an indication that RBM schemes and other mechanisms to hinder asymmetrical information between principals and agents, do in fact serve the purpose they were intended to. The fact that consequences increase along with information flows, implies that the more donors know about what is happening on the ground, the more they incorporate this information into decision making processes. This shows that some donors become more rational, the more information that they have.

On the other hand, these results could mean that we are looking at two different types of donors; those who are committed, and those who are not. Maybe those who are not committed, would not incur consequences even if they had adequate information on the actions of recipients.

Likewise, H2 expects that the intensity of discussions between donor and recipient will have a positive effect on the amount of consequences the recipient experiences. This hypothesis can also be confirmed as we see an increase in the consequences experienced by the recipient organizations as the intensity of discussions rise.

The answer to research question 1.1, is that the more answerability the exists in the relationships between donors and recipients, the more enforceability there will be. This is a good sign because it shows that in most cases, the more donors know about what is going on, the more they impose meaningful sanctions to improve efficiency. These findings are in line with the expectations of P-A theory; that ideally, principals are rational utility maximizers that seek the most effective means to achieve their goals. The results from this do not show that donors are fully rational, merely that they become more rational as they know more about what is happening with recipients.

From an accountability perspective, this means that the more answerability there is in a relationship, the higher the overall accountability there will be. This of course says nothing about the actual results of development initiatives, or whether resources are being used effectively. It simply means that one way to ensure that donors get what they say they want, is to increase the answerability in those relationships. This is valuable to the relationship itself, but also to those who are farther up in the chain of accountability; parliaments, and
ultimately the citizens in donor countries. These groups can then be assured that RBM systems are, at a minimum, contributing to strengthening accountability farther down the accountability chain.

### 7.2 Control variables

Control variables of grant-size and length of relationship were included in the study; these variables are viewed as important factors that may affect the level of enforceability in the relationships.

Grant size did not turn out to make a substantial impact on consequences, although it did have a minimal effect. This was shown by the modest change in the level of consequences when moving from low to high financed projects, we also see here that negative consequences rise slightly faster than positive ones (see figure 6.3). Although there is some change, the results are not conclusive enough to confirm that grant size has an influence on the consequences an organization receives. The answer to why grant size does not seem to play a larger role is interesting and worth considering. Ideally, this could mean that the RBM procedures are adequate in both small and large projects, and that money doesn’t really matter when it comes to what consequences recipients can expect. On the other hand, the lack of change could mean larger projects are somehow subject to “the money moving syndrome” (see section 3.3.2), in that donor’s neglect to impose consequences upon recipients of higher financed projects because they are required to ‘move the money’ in order fulfill their own objectives towards their own principals in the donor country.

The length of time that recipients and donors had a relationship did not seem to be something that determined what kind of consequences recipients could expect. There was nearly no change in the level of negative consequences over time, and a slight increase in positive consequences over time. Although these slight changes are in line with what would be expected in longer relationships, the change is not substantial enough to view this as an important factor when predicting consequences. To understand the reasons why these factors do not play a more important role in the relationship, further research could look at the donor’s perspective, as their own motivations and incentives are important factors that
may shed light on what influences their treatment of recipients.

7.3 Drifting Donors?

Hypothesis 3 was built upon the drifting principals thesis, which states that contrary to traditional assumptions from P-A theory, principals sometimes neglect to hold their agents accountable (Brandsma and Schillemans, 2012). The assumption here is that donors will neglect their accountability responsibilities as exemplified through a lack of consequences present in the relationships. Overall, the results show that the ability of donors to use consequences is widespread, while their frequency of use is not as far reaching. This in itself does not tell us whether principals are drifting or not, because we would need to systematically uncover those instances where consequences should have been implemented but were not. This was mentioned in discussion on concerns for measurements validity; the fact that recipients are reluctant to give information on instances when donors should have placed sanctions, but did not. However, although we can not uncover what donors should have done in certain situations, we can assume that results were either, achieved, exceeded, or not achieved, in which case donors should invoke at least one sanction to suit the situation; positive or negative. Thus, when comparing the aggregate score of the availability of consequences (92%), and the aggregate score of usage (37%), we can assume that donors are drifting away from invoking at least one of the directions of sanctions. The large dissonance between the availability of consequences and their frequency of use, shows that donors are somehow neglecting to give some form of consequence, whether positive or negative. It should be noted that this logic assumes that donors will always invoke either a positive or negative consequence, depending on the situation. This may be an ambitious
assumption, but the large dissonance between the availability and usage of consequences still leads me to believe that donors are not fully living up to their responsibilities when it comes to invoking consequences. Thus, I cautiously proceed to assume that these observations support hypothesis three.

It may be a step to far to say that donors are drifting based on these observations, and it should be noted that they are nevertheless invoking consequences on recipients. The level of consequences is simply inadequate when compared to the amount of information they have on the actions of agents. The fact that they are drifting should not imply that vertical mechanisms for accountability are not in place. On the contrary, the vertical accountability is strong within the relationships.

What do these observations mean in terms of accountability? It is important to remember that the availability of sanctions for principals is what matters most (Brandsma and Schillemans, 2012: 17). However, principals should show that they are not opposed to using sanctions some of the time. When it comes to negative consequences, if they are not imposed when they should be, agents may start assume they will not happen and use this to their own advantage. Similarly, for positive consequences, agents may lose motivation or not improve the quality of their projects.

7.4 Horizontal accountability

The majority of the scores used to measure accountability in this study are based on a hierarchical relationship between principal and agent; vertical accountability. However, the framework also takes into account that there are horizontal mechanisms in play that may have an impact on the dimensions of accountability that were measured. The data showed that in most of the relationships there is at least one mechanism for horizontal accountability present; the most common of these are independent boards of overseers and/or
stakeholders.

The structure of the horizontal mechanisms in the relationships matched the theoretical expectations outlined in section 3.2. The independent boards had no real control or consequences to invoke towards the recipient organizations, and reporting to boards was on a volunteer basis. Moreover, the role of boards is merely advisory, although one informant noted that this gives them influence of the thematic direction of projects (Interview, Program Officer B-1). While the structure is what one would expect from horizontal mechanisms, I was still left wondering if they served the broader purpose that was meant for them. This is because the vertical mechanisms for accountability seem to trump the horizontal ones. In a situation where recipients are faced with recommendations from a vertical forum that has the capacity to sanction them, they would be inclined to follow through with the recommendations in order to “survive”. The lack of sanctioning capabilities from horizontal forums seem to make interactions with them a form of tokenism that is preformed to meet organizational norms, rather than genuinely securing that stakeholder interests are taken into account during decision making processes. Moreover, the fundamental idea that horizontal mechanisms should be voluntary, seems to be absent in the cases reviewed.

These results should be viewed in light of the broader debate within development cooperation on shifting from vertical to horizontal accountability (SADEV 2012: 12). The purpose of horizontal accountability is to depart from vertical accountability enforced by a superior towards an inferior, and move towards a collaborative enforceability where stakeholders are involved in the process. Essentially, horizontal accountability should rebalance the inherent power asymmetries between donor and recipient. In this study, the horizontal mechanisms in the relationships show tendencies of contributing to a greater balance of power. This was shown as organizations A, B and C, who had overseer or stakeholder boards, at a minimum had the input of stakeholder voices to project activities.

The horizontal mechanisms in place at the project level seem to compliment the vertical ones, rather than represent a potential replacement to them. Thus, it remains difficult to give an unambiguous answer to research question 1.3. Based on the findings from this study, the horizontal accountability, in it’s ideal form, is not practiced in the relationships between
donors and recipients. However, there were tendencies to mechanisms that resemble horizontal accountability that, even if involuntary, place stakeholder voices into decision making processes.

### 7.5 What power do beneficiaries have?

The findings from this study are also in line with the broken feedback loop that is said to exist between the beneficiaries, recipient contractors and the donors (Ostrom Et. al 2002, Martens et al.). When looking at the results from this study we see that the intended beneficiaries of the projects are in many cases left out accountability processes, whether they are vertical or horizontal. This was most evident by the fact that there were no recipient organizations stated that they were to accountable to any group of beneficiaries. There were virtually no established channels for a flow of information (answerability) from beneficiaries to recipient organizations and upwards towards donors. The only channels available for such exchanges were periodic user evaluations that involved beneficiaries – but these were not routine. Likewise, there were no systems for consequences (enforceability) given to beneficiaries of projects. This is the core of the accountability problem. There is sanctioning power bestowed to tax payers in a closed domestic system of principal-agent relationships. This power is expressed through voting, and can be used to sanction parliaments and their various agents, the problem is that beneficiaries do not have this same power within that system, even though they are the end receivers of that country’s program. This raises an interesting question; should accountability within development cooperation be measured by beneficiaries’ ability to place sanctions on donors? According to established models of public efficacy, principals should have sanctioning mechanisms towards their agents. In the same way that parliaments must be willing to face consequences when citizens are not pleased with their performance, so to should donors be held accountable when beneficiaries are not pleased with performance. This review of accountability in the relationships between donor and recipient sees no signs of such sanctioning mechanisms for beneficiaries. This is not all that surprising in light of the fundamental power imbalance in donor-recipient relationships (Stern et. al. 2008), something which has shown no signs of improving (SADEV 2012: 18).
7.6 Characterizing accountability in development cooperation

Much of the literature on accountability is theoretical or conceptual and lacks empirical evidence (Brandsma and Schillemans, 2012: 12). This study has placed empirical data as the foundation for operationalizing the term accountability. The framework used here shows that accountability is best measured as a disentangled concept, with different dimensions that affect one another. In the same way, the best way to answer “what characterizes accountability between donors and recipients in development cooperation?” is by understanding the different dimensions of the term, and how they affect each other.

Starting with the first dimension of answerability, the flows of information from recipients to donors were strong, as exemplified by the high scores along that dimension in the relationships. Moreover, standardized reporting routines established norms of high standards for reporting. This is one of the pillars of accountability; principals need to be informed of the activities of agents to solve information asymmetry problems. The fact that information levels are high is not surprising based on what we know about the growth of NPM and Results Based Management over the past two decades. As discussed in the background chapter, these systems have become a mantra within development cooperation.

Secondly, the discussions between donors and recipients are also at a high level when compared with other accountability dimensions in this framework. This is important because discussions are genuine exchanges of values and opinions, not simply numbers or results in a report. This aspect of accountability is one that is often overlooked in principal-agent models because the preferences of principals are usually the standards by which agency loss is measured (Brandsma 2012:5), effectively leaving the process of interaction between the two parts out of the measurement. This study shows trends of strong formal information and discussions that denote an overall strong answerability in the relationships. This gives reason to characterize the answerability dimensions of accountability between donors and recipients as high.

The second pillar of accountability is enforceability. Even though we see that this increased
with the level of answerability, the overall level of enforceability is low in the relationships of this study. This matched what we expect from international cooperation, where enforceability is a problem that exists in many different contexts. The low level of enforceability is reinforced by the fact that even though donors have the ability to invoke consequences, in most cases the neglect to do so.

The impression I am left with after studying these organizations is that the logic of vertical accountability is well established within the relationships in this study. Although this study has shown that there are mechanisms in place to secure horizontal accountability, these do not seem to hold recipient organizations accountable to the broader public in their own country, and specifically the beneficiaries of the projects they implement. This is important to include in the overall characterization of accountability.

Overall, an adapted version of Bovens’ definition (Bovens, 2006: 450) of accountability provides a good characterization; recipients show an obligation to explain and justify their conduct, donors can pose questions and pass judgement, and recipients will in most cases, not face consequences.
8 Conclusion

The motivation for this thesis was a desire to learn more about how accountability functions at the project level in development cooperation. Tax-paying citizens in developed countries fund development projects aiming to increase the well-being of beneficiaries in poorer countries. Donor organizations- as stewards of the tax-payer’s money- have a democratic responsibility to ensure that recipients are held accountable for their actions. This thesis finds that there is a good degree of answerability in the relationships between donors and recipients, while the level of enforceability is not as established. It also finds that RBM systems that increase the flow of information, raise the likelihood of recipients experiencing consequences, whether they be positive or negative.

On the one hand, this means that RBM works; the more donors know, the more they act on it. In light of the debate on foreign aid effectiveness, this is a positive sign. On the other hand, this study has shown that there is still room for donors to improve. Although some donors implement a satisfactory level of sanctions – there are some that don’t. If these findings are generalized to a greater population of donor-recipient relationships, the accountability deficiencies may be substantial in this group.

The results show that vertical accountability trumps horizontal accountability when it comes to the donor-recipient relationship. Despite the fact that most recipients aim to secure horizontal accountability in one way or another, their focus is mainly on vertical accountability procedures that are driven by RBM.

This study has also contributed to the gap within the empirical literature on how to measure accountability between principals and agents at the project level. However, there is a need more systematic quantitative studies that review the degree to which development projects actually achieve what they were asked to. This kind of data, combined with accountability measurements, can be used to make better judgements on how well donors are meeting accountability requirements.

All in all, this study shows that accountability should not be viewed as a one-dimensional concept. Donor-recipient relationships exhibit various levels of success along the different
dimensions of the concept. The observations in this study show that, overall, donors should strive for more enforceability in their relationships with recipients. This will ensure that public funds are being used more appropriately, and increase the effectiveness of development cooperation.
References


### Attachment 1 – Interview guide for Program Officers

<table>
<thead>
<tr>
<th>Research question</th>
<th>Variable</th>
<th>Interview Question</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 What are the connections between answerability and enforceability at the project level in development cooperation?</td>
<td>V1</td>
<td>1. Reporting: How often is your organization required to send reports on the progress of project activities?</td>
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<td></td>
<td>V2</td>
<td>2. Extent of Reporting: When comparing to other donors and reports, would you say that reports to «Donor» are required to be more extensive or less extensive. <em>(By extensive, I mean the length and detail of reporting)</em></td>
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<td></td>
<td>V3</td>
<td>3. Evaluation: Has the project or program you are responsible for received a formal Evaluation in the past three years? <em>(If not, when was the last evaluation conducted?)</em></td>
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<td>V4</td>
<td>4. Auditing: Is the project or program required to send financial or audit reports to the donor each year? <em>If yes, how often?</em></td>
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<td></td>
<td>V5</td>
<td>5. Meeting frequency: How often do you meet with personally with «Donor» in the run of a year?</td>
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<td></td>
<td>V6</td>
<td>6. Meeting intensity: Would you say that your discussions are a genuine exchange of viewpoints between you and the donor? <em>(in opposition to being centered around planning and coordination activities?)</em></td>
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<td></td>
<td>V7</td>
<td>7. Phone call or skype: How often do you have a phone call/e-mail/skype <em>(or whatever means of communication you use)</em> in the run of a year?</td>
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</tbody>
</table>
1.1 What are the connections between answerability and *enforceability* at the project level in development cooperation?

1.2 To what degree do donors use their enforceability towards recipients?

<table>
<thead>
<tr>
<th>Section</th>
<th>Table V12</th>
<th>Question 8. Feedback</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>V12</td>
<td>Have you, or your organization received formal or informal compliments based on what «Donor» perceived to be good performance?</td>
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<td></td>
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<td>Have positive results from your project of program been published or announced by «Donor»?</td>
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<td></td>
<td>V9</td>
<td>Has your project or program received formal or informal critique based on reports that have been given by your organization?</td>
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<td></td>
<td></td>
<td>Does «Donor» have the authority or ability to do these things?</td>
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<tr>
<th>Section</th>
<th>Table V14</th>
<th>Question 9. Program adjustments:</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>V14</td>
<td>Has your project or program received any adjustments due to positive performance? (This may be things like scaling up current initiatives, extending current initiatives or simply expanding the scope of project activities)</td>
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<tr>
<td></td>
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<td>Does «Donor» have the authority or ability to do so?</td>
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<td></td>
<td>V11</td>
<td>Has your project or program been adjusted negatively based what your organization has reported to donors?</td>
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<td></td>
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<td>Does «Donor» have the authority or ability to do so?</td>
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<tr>
<th>Section</th>
<th>Table V10</th>
<th>Question 10. Staff:</th>
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<tr>
<td></td>
<td>V10</td>
<td>Have any staff been let go due to poor performance?</td>
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<td></td>
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<td>Does «Donor» have the authority or ability to do so?</td>
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<tr>
<th>Section</th>
<th>Table V13</th>
<th>Question 11. Funding:</th>
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<tr>
<td></td>
<td>V13</td>
<td>Has your organization received a funding increase due to positive results from your organization?</td>
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<td></td>
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<td>Has your organization received a reduction of funding from «Donor» due to a lack of performance?</td>
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<tr>
<td>1.3 to what degree do recipients practice horizontal accountability?</td>
<td>- Does «Donor» have the authority or ability to do these things?</td>
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<td>---------------------------------------------------------------</td>
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<td><strong>12. Horizontal:</strong> 12.1 Apart from reporting to donors, are there any other stakeholder groups you report to?</td>
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<td>- If so, in what capacity do you report to them – and how does this affect your organization?</td>
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<tr>
<td>12.2 Do your projects or programs report to any independent bodies, like a board, or your local government or authorities on the results of project activities?</td>
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## Attachment 2 – Accountability data

<table>
<thead>
<tr>
<th>Relationship</th>
<th>Formal Information</th>
<th>Discussions</th>
<th>Consequences</th>
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<tr>
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<td>$V_1$</td>
<td>$V_2$</td>
<td>$V_3$</td>
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