



AFRICA GOVERNANCE FORUM (AGF II)

ACCOUNTABILITY AND TRANSPARENCY IN AFRICA

A CONCEPT PAPER

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I. INTRODUCTION

Within the United Nations System-wide Special Initiative on Africa (UNSI), launched in 1996, the Economic Commission for Africa (ECA) and the United Nations Development Programme (UNDP) are mandated to lead consultations on governance, to organize co-ordinated and collaborative programmes for implementation, and to mobilize resources and political support for good governance.

At the First Annual Africa Governance Forum (AGF I), which took place in Addis Ababa from 11-12 July 1997, participants agreed to pursue collaborative and coordinated programmes in support of good governance and to organize such a Forum annually. These Forums would, *inter alia*, discuss best practices in various areas of good governance through consultations among African governments, international partners and civil society organizations; and report and discuss the status of ongoing governance programmes.

AGF I generated debate on a wide range of programmes that reflect key areas of governance in Africa. These include leadership building; transparency and accountability; civil society empowerment, institutions of political transition; and peace and stability. Discussion during AGF I, as well as in post-Forum consultations, emphasized the need to focus AGF II on a single priority area of governance so as to have significant impact on the tenor of debate and the scope of national programmes presented for support. Further, it was agreed that "Accountability and Transparency" would be the sole agenda item for the Second Annual Africa Governance Forum. AGF II has been made possible from the support of the governments of Norway and Switzerland and the European Commission.

The Concept Paper that follows poses a number of key questions that inhere in this pivotal theme, examining relevant practices, processes and methodologies applied by African governments in their striving for accountability and transparency. It offers an operational definition of the concept in accordance with United Nations decisions and resolutions. It also provides an exposition of critical issues, institutions and processes that underpin the performance of governments in their management of public affairs and in their relationship to other segments of national society, as well as external actors, both public and private. More specifically, the paper analyses the functional relationship between political and financial accountability in governance on the one hand and, on the other, economic and social development. Additionally, the document sets out elements of a framework and programme for national accountability and transparency that may be adapted, as appropriate, to specific national situations. Finally, it shows how these elements may relate to changing the attitudes and practices of external players, such as multilateral and bilateral donors, international development agencies, non-governmental organizations and multinational corporations.

II ACCOUNTABILITY AND TRANSPARENCY: A THEMATIC REVIEW

2.1. What do "accountability" and "transparency" mean?

Simply put, accountability is the obligation to render an account for a responsibility that has been conferred. It means that those individuals and organizations charged with the performance of particular actions or activities are held responsible. This responsibility is judged or measured in terms of clearly articulated codes of conduct.

Transparency or openness means:

- the ready, unobstructed access to, and availability of data and information from public as well as private sources that is accurate, timely, relevant and comprehensive.
- tolerance for public debate, public scrutiny and public questioning of political, economic and social policy choices.

2.2. What are the dimensions of public accountability?

Public accountability has a number of dimensions including the following key elements:

- **Political accountability:** This means making authorities *answer* to the people for actions they take or fail to take in discharging their official duties. Observance of the Constitution is an important test of political accountability under a system of democratic governance. Checks and balances are a potent mechanism for guarding against abuse of power. The Constitution is in essence a solemn pact between the people and the State, which provides the basic foundations for the legitimacy of government and the people's rights to demand a clear, straightforward report of what the government has done in carrying out the responsibilities conferred on it by the citizens at large. Fair, competitive and free elections that provide the possibility of changing governments offer one means of enforcing political accountability. Elections also foster broad-based and mass participation in this rendering of a comprehensive account.
- **Administrative accountability:** This refers to the vertical reporting relationships that inhere in classical administrative structures of governance, usually known as the bureaucracy or the civil service. Clear definitions of norms, rules, roles and responsibilities -- the division of labour -- provide yardsticks against which to gauge administrative performance. The armed forces constitute a significant and special component of the governance structure. They, too, must be held accountable to civilian authority that is constitutionally established and politically legitimate.

These accountability systems at the macro level may be complemented by mechanisms and institutions at the micro level through decentralizing government, enhancing competition and fostering participatory arrangements that promote horizontal accountability to interest groups, users' associations and other forms of civil society and community-based organizations.

Developing action models for monitoring and evaluation helps to institutionalize input for accountability, the process by which it is carried out and the transparency of the outcome over and above the usual heavy bureaucratic reliance on written rules, standard operating procedures and accepted routines.

- **Financial and budgetary accountability:** This dimension of accountability refers to the ability to account for the allocation, use and control of public monies and public assets and properties from beginning to end in accordance with legally mandated and/or professionally accepted rules, principles and practices for each phase of the monitoring process through the final audit.

2.3 What is the relationship among accountability, transparency and good governance?

Accountability and transparency strengthen the legitimacy of government, public officials and their policies and decisions in the eyes of the people. They contribute to giving individuals and groups the sense that they as citizens are truly in charge of their government.

Dispute between individuals, organizations, classes, and regional or ethnic groups often break out over issues of the distribution of power and wealth. In many African countries, the public sector and the government still pervade economic and social matters, quite often including the production and delivery of economic and social goods and services. In such a context, political power is an important channel for accessing and controlling economic and social resources. Political competition between individuals or groups is more likely to become or to remain orderly and peaceful when the allocation of budgetary resources is made in an open and accountable manner. The same holds true for the process of choosing among economic and social options.

Full, pro-active and honest disclosure of temporary economic setbacks and financial difficulties strengthens public understanding and patience, thereby protecting the democratic process against demagoguery and other forces likely to undermine democratic governance.

A transparent electoral process increases the likelihood that election results will be readily accepted by all competing parties. It thus leads to more stable government. Efficient or effective government will depend on the institutions, quality and substance of governance. And this in turn will depend on the competence, integrity, honesty, legitimacy, and accountability of those who govern.

2.4 What is the relationship between political and financial accountability, on the one hand, and socio-economic development, on the other?

The interests of the people are more likely to influence a government's agenda and decisions where political and financial accountability exist than where they are absent - simply because economic, financial and social resources of the country are more likely to be allocated in the most economically efficient, socially beneficial and environmentally friendly manner. The poor, including such underprivileged groups as rural women, can exercise greater leverage on

public policy and budgetary choices as political accountability expands beyond urban-based elite circles.

At the micro-accountability level, development programmes and projects, as well as government agencies, are more likely to respond to the public interest and more likely to monitor the quality and timeliness of their performance where their beneficiaries and stakeholders have mechanisms through which to make their voices heard.

Financial accountability reinforces the trust and confidence of both the national taxpayer and the external aid donor, thereby creating a climate for better revenue collection and therefore higher overall resources for the development process, as well greater external moral and material support.

Economic reforms are more likely to be regarded as legitimate and therefore easier and faster to implement, politically and socially, if there is full confidence that the adjustment process is transparent and that both public and private office holders meet the highest standards of accountability for inputs, the process itself, and its results.

A well-paid, efficient and highly motivated civil service is indispensable for sound public policy-making and implementation. Lack of administrative accountability renders technical expertise ineffective and unrewarding; at the same time, it corrodes the moral backbone of public administration. A corrupt bureaucracy undermines the effectiveness of democratic institutions and overburdens the private sector. Petty corruption, for instance by the police or customs officials, can be as damaging to the legitimacy of democracy as grand corruption.

2.5 What happens when accountability and transparency break down throughout a system?

A world-wide phenomenon, corruption generally refers to the abuse of public office for private gain. It is worth noting, however, that the private sector is far from immune to corruption. Moreover, much corrupt activity, both within and between countries (frontier corruption), occurs at the interface between the public and the private sector. Corruption does not necessarily involve money or in-kind payments; nepotism -- favouritism shown to friends or relatives in conferring privilege -- is one of the most common forms of corruption.

Several theories have been advanced to explain or, at times, justify corruption. Economists emphasize outright measurable profiteering behaviour through a variety of mechanisms, one being the principal-agent-client model, another, the "arms-length principle". Some theories point to contextual factors, including culture and social values, conflicting signals and loyalties arising from societies undergoing significant transitions, whether economic, political or socio-psychological -- often all at the same time. Other theories use individual and psychological variables as predictors of corruption and corrupt behaviour.

Corruption entails a number of categories of costs to society, among them: losses in economic efficiency, distortions of incentives and distribution, loss of political legitimacy by government institutions, dilution of the work ethic and damage to the moral fabric of society.

Fighting corruption is not a simple proposition. First, the optimum level of corruption may not be zero. Patronage, for example, exists to some degree in all democracies, notably after a general election, and is not necessarily an evil. Often, it helps consolidate hard-won gains, especially after a fundamental transition from one system of governance to another, giving recognition and responsibility to significant actors in the change process who might not otherwise participate in the new political order. While a multitude of solutions and measures may be combined in anti-corruption policy and programme packages, the exact mix and effectiveness of each will vary with individual country or sector circumstances. From a general public policy point of view, it is worth recalling that corruption tends to increase with monopoly and discretionary power, but correlates negatively with accountability.

Any policy package to fight corruption must include a two-pronged strategy:

- a) economic and social reforms;
- b) building and strengthening institutions and institutional capacity.

Institutional capacity-building to tackle corruption requires:

- a) strengthening civil society and the mass media, through multiplying the mechanisms available to voice public opinion;
- b) strengthening government watchdog agencies, such as the Offices of the Inspector General, Comptroller/Auditor General, and Mediator/Ombudsman. Measures need to be taken to ensure that these offices have adequate human, financial and logistical resources (both quantitative and qualitative), appropriate work procedures and investigative powers, and adequate independence.
- c) strengthening the agencies and departments in charge of the electoral processes, so as to safeguarding the integrity and credibility of elections and of democracy itself.

Political will is critical to the effectiveness of any anti-corruption measures. However, in itself, political will does not suffice. It must be supported by appropriate institutions. The national and local leadership must also be seen to be honest and determined to weed out corruption. One issue is whether to focus "on revamping the system" or "catching individual culprits". The ultimate objective is to dismantle any system of incentives that entices individuals, groups or organizations into corruption.

III ACCOUNTABILITY AND TRANSPARENCY IN ACTION: