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Funding Arrangements and Public Accountability: A Systematic Literature Review

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Abstract

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This study conducts a systematic literature review (SLR) to synthesize conceptual insights, methodological advancements, and empirical evidence on the relationship between funding models and accountability mechanisms. Drawing on 2016-2023 publications indexed in Scopus, Web of Science, and Google Scholar, the review identifies three major patterns: (1) accountability mechanisms vary widely across institutional and systemic levels, yet remain inconsistently applied; (2) large-scale funding instruments, such as the Pandemic Fund, face persistent governance challenges including unclear authority, limited transparency, and weak stakeholder representation; and (3) methodological innovations, such as anti-corruption, transparency, and accountability (ACTA) measures, can strengthen oversight and reduce fraud risks when integrated from the outset. The findings underscore the need for funding frameworks to embed clear roles, inclusive representation, and robust transparency protocols. By aligning funding design with rigorous accountability mechanisms, governance systems can enhance integrity, equitable resource allocation, and public trust.

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1. Introduction

In increasingly complex governance environments, the design of funding arrangements plays a foundational role in shaping patterns of public accountability. Accountability is understood not only as financial stewardship but also as the transparent, responsive, and equitable execution of public responsibilities (Li et al., 2022). However, research on accountability within public administration has been described as fragmented, often spread across individual, organizational, and institutional levels without a coherent framework (Li et al., 2022). In the realm of funding mechanisms, systematic analyses of global health financing illustrate how mapping "who is accountable to whom" and "accountability for what" can reveal institutional gaps while enhancing transparency in funding practices (Liwanag, 2021). Moreover, methodological innovations such as the use of linked open data to evaluate research funding performance via funding acknowledgments have emerged as promising tools for strengthening the validity and reproducibility of accountability assessments (Perianes-Rodríguez, 2020).

Against this backdrop, a systematic literature review focused on funding arrangements and public accountability is timely. Such a review can synthesize conceptual insights, trace methodological advances, and compile empirical evidence across sectors. Specifically, it seeks to (1) delineate how different funding models ranging from institutional grants to public–private partnerships influence accountability mechanisms; (2) identify the most effective methodologies for capturing the transparency and responsiveness of funding systems; and (3) highlight best practices and persistent challenges in aligning funding structures with accountable governance. By integrating theory, empirical findings, and methodological perspectives, this review aims to illuminate pathways for designing funding arrangements that substantively underpin public accountability. Mushasha et al. (2023) conducted a systematic review of financing models in the health sector and found that results based financing approaches generally improve service delivery indicators, although their effectiveness largely depends on the local context

2. Literature Review

Funding arrangements are widely recognized as a central determinant of public accountability, shaping how responsibilities are distributed and monitored within governance systems. Recent studies highlight that effective accountability requires clear allocation of roles, reduction of information asymmetries, and the establishment of robust monitoring and sanction mechanisms to ensure integrity in resource use (Lee & Ospina, 2022). The structure of funding models whether in the form of grants, budgetary allocations, or performance-based schemes directly affects the ability of stakeholders to evaluate outcomes and enforce responsibility.

Accountability is not only about meeting financial obligations but also about fulfilling normative expectations of openness, fairness, and responsiveness. Lee and Ospina (2022) proposes a multidimensional framework for assessing accountability in collaborative governance, emphasizing that funding mechanisms must embed both formal reporting requirements and a culture of transparency. This integration ensures that accountability functions both as a procedural mechanism and as an ethical commitment to public service.

In the context of public budgeting, performance-based budgeting (PBB) has been promoted as a tool for linking resources to results, thereby reinforcing accountability. However, empirical evidence indicates that poorly designed PBB systems can lead to unintended effects, such as indicator manipulation or token compliance. Mauro et al. (2016) stress that the success of PBB depends on the substantive use of performance data to guide decision making rather than the sheer proliferation of indicators.

Transparency is equally critical in more complex funding arrangements, such as public private partnerships (PPPs) and multi-donor initiatives. Reich (2018) argues that well defined roles, proactive disclosure, and multi stakeholder oversight are essential to protecting the public interest in these contexts. Without such measures, intricate financing structures can obscure value-for-money assessments and weaken public trust.

3. Methods

This study employed a systematic literature review (SLR) to synthesize and critically assess scholarly works examining the relationship between funding arrangements and public accountability. The review was conducted in accordance with the Preferred Reporting Items for Systematic Reviews and Meta Analyses (PRISMA) guidelines to ensure methodological rigor, transparency, and reproducibility. The review aimed to address three main objectives: examining how different funding models influence accountability mechanisms, identifying effective methodologies for assessing transparency and responsiveness, and highlighting best practices as well as persistent challenges in aligning funding structures with accountable governance.

The literature search was carried out using major academic databases, namely Scopus, Web of Science, and Google Scholar, selected for their broad coverage of peer-reviewed research in governance, public administration, and finance. The search targeted publications from 2016 to 2023 to ensure the inclusion of recent empirical evidence and methodological advancements. Search terms were constructed using combinations of relevant keywords and Boolean operators, including "funding arrangements," "funding mechanisms," "financial models," "public accountability," "transparency," "responsiveness," "public administration," and "governance."

Inclusion criteria encompassed studies that explicitly examined the role of funding models in shaping accountability, presented empirical data, conceptual frameworks, or methodological innovations, and were published as peer-reviewed journal articles, book chapters, or conference proceedings in English. Exclusion criteria applied to studies focusing solely on technical financial management without accountability considerations, opinion or commentary pieces, and non English publications. The screening process involved a two-stage review, beginning with title and abstract screening followed by full-text analysis, with duplicate records removed prior to screening. Two independent reviewers evaluated all studies, and disagreements were resolved through discussion to minimize selection bias.

Data extraction followed a standardized format to record key information such as publication details, geographical context, type of funding model, accountability mechanisms assessed, methodological approaches, and main findings. Analysis was conducted in two stages: descriptive synthesis to map the distribution of studies across sectors, regions, and methodologies, and thematic synthesis to identify recurring patterns, best practices, and unresolved challenges. Methodological innovations, such as the use of linked open data or performance based metrics, were critically appraised for their robustness and applicability. This approach enabled a comprehensive understanding of the intersection between funding arrangements and public accountability while highlighting methodological gaps and future research directions.

4. Results and Discussion

The results of this systematic literature review highlight three major patterns in how funding arrangements influence public accountability. First, Liwanag et al. (2023) found that accountability mechanisms in global health funding, research collaborations, and training programs are diverse, with at least nineteen identified processes. These include target-setting and monitoring, inter-institutional peer review networks, litigation strategies, formal oversight bodies, internal organizational accountability, and multipolar accountability models involving various institutional actors. The study also emphasized that these mechanisms operate at different levels ranging from institutional to systemic and that significant gaps persist, particularly in ensuring consistent application across governance contexts.

Second, challenges in accountability are evident in large-scale funding instruments such as the Pandemic Fund. Brown (2023) identifies eight persistent governance issues in international health financing, including misaligned aid allocation, weak accountability structures, inadequate representation, limited country ownership, donor fragmentation, low transparency, power imbalances, and corruption risks. These weaknesses are compounded when funding frameworks lack clearly defined roles, robust transparency protocols, and mechanisms for inclusive decision-making. Such structural deficiencies can undermine governance effectiveness and erode public trust in funding systems.

Third, methodological innovations provide promising avenues for enhancing accountability. Chang et al. (2021) examine how the Global Fund implemented anti-corruption, transparency, and accountability (ACTA) measures, including audit committees, ethics frameworks, and internal investigative processes. These initiatives contributed to a reduction in fraud risks and reinforced oversight functions, demonstrating that deliberate integration of governance safeguards into funding mechanisms can significantly strengthen accountability outcomes.

Overall, the findings suggest that while a range of accountability mechanisms exist, they are often inconsistently applied and vulnerable to institutional gaps. Funding design plays a critical role in shaping governance effectiveness, and without embedded transparency and representation, even well-intentioned financial models can fail to deliver accountable outcomes. Furthermore, adopting structured methodological innovations such as ACTA mechanisms and potentially open-data driven evaluations can provide a more robust foundation for transparency and responsiveness in funding arrangements.

5. Conclusion

This review concludes that funding arrangements are a pivotal determinant of public accountability, with their design directly shaping the transparency, responsiveness, and effectiveness of governance systems. Evidence from recent studies demonstrates that while a wide variety of accountability mechanisms exist from formal oversight bodies and monitoring frameworks to inter-institutional networks and anti-corruption measures their implementation is often inconsistent and fragmented. Large-scale financing instruments, such as the Pandemic Fund, reveal persistent governance challenges, including unclear authority structures, inadequate representation, and limited transparency, all of which risk undermining public trust and policy outcomes. Conversely, methodological innovations, such as anti-corruption, transparency, and accountability (ACTA) measures, show promise in strengthening oversight when integrated into funding frameworks from the outset.

The findings underscore the necessity for policymakers and funding bodies to embed explicit accountability structures within financing mechanisms, ensuring clarity in roles, inclusive representation, and robust transparency standards. Furthermore, future research should expand on data-driven approaches, including open-data methodologies, to enhance the monitoring, evaluation, and credibility of accountability practices. By aligning funding design with rigorous accountability mechanisms, governance systems can better safeguard integrity, promote equitable resource allocation, and foster sustained public trust.

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