

Indicator Five

Development Cooperation is more predictable

Indicator 5a: Proportion of development cooperation funding disbursed within the fiscal year within which it was scheduled by providers of development cooperation resources.

Indicator 5b. Proportion of development co-operation funding covered by indicative forward spending plans provided at country level

Draft Assessment and Proposals

1. Introduction

Track Three of the MAG's work plan is to provide advice on the continued relevance and usefulness of the GPEDC monitoring framework to the GPEDC Co-Chairs and Steering Committee. The MAG initiated this review process at its February 2016 meeting.

In doing so, three working groups examined the ten indicators in three clusters – ownership and results, inclusiveness, and transparency and accountability. At its February meeting, MAG members contributed perspectives on the continued relevance of the indicator (in light of the SDGs and Agenda 2030), the effectiveness and efficiency of the methodology at a practical level in gathering data, and the usefulness of the indicator for GPEDC stakeholders. The draft assessment and proposals for each indicator is the result of this work. The MAG is also examining issues affecting the structure of the monitoring framework as a whole.

These documents are posted on the [MAG's Teamworks web site](#) for review and comments. Our advice will be finalized at the MAG's next meeting, June 4-6, in Paris.

Comments and suggestions are very welcome from GPEDC stakeholders. Comments can be provided on the site, or submitted to the MAG Chairperson, Brian Tomlinson (brian.t.tomlinson@gmail.com).

2. Overview

The current GPEDC indicator seeks to measure two aspects of predictability:

- (a) Annual: proportion of development cooperation funding disbursed within the fiscal year within which it was scheduled by co-operation providers, with a target of halving the proportion of aid not disbursed within the fiscal year for which it was scheduled (Baseline year 2010)
- (b) Medium-term: proportion of development cooperation funding covered by indicative forward spending plans provided at country level, with a target of halving the

of development cooperation funding not covered by indicative forward spending plans provided at country level.

Relevance Predictability was identified as a priority in Paris, Accra and Busan – it remains a priority demand from partner countries.

Efficiency While there is not any significant problem with the methodology for measuring predictability, there has been a problem in meeting successive targets. Rather than recording repeated failure on the part of donors to meet their commitments, GPEDC should examine why this is the case, and learn from best practice (the donors who have delivered on this commitment).

Usefulness The indicator has been imported from the Paris Survey. While some progress has been made, repeated failure to meet agreed targets without addressing the underlying problems undermines credibility. Access to forward-looking information on development cooperation remains a top ask for partner countries, and has been the subject of a series of political commitments since Paris.

3. Key Issues and Challenges

a) Slow progress and missed targets Progress has been slow, and successive targets (Paris, Accra, Busan) have been missed.¹ There are multiple reasons why 5a targets are missed including, for example, aid absorption limitations or the absence of counterpart funding. Some MAG members have noted that the indicator implies poor performance of donors, when challenges may actually lie at the country level. More understanding is needed on what are the most common challenges in different contexts. The GPEDC can play an important role in this regard.

b) Key challenges in forward projections Whilst improvements can be made on annual predictability, key challenges lie in forward projection. Evidence suggests that the problem is not a lack of will from providers or the deliberate withholding of information. Rather the reason is often because they do not have the relevant budgetary, legal and legislative regimes necessary to provide such information, or in some cases (DFIs, humanitarian actors) their business model means that the publication of forward-looking data is simply not possible. Other challenges may be that changing lists of priority countries interrupt forward planning.

¹ 2014 GPEDC Progress Report: 84% of disbursements happened in the year they were scheduled in 2013, up from 79% in 2010, against Busan target of 90% for 2015. There was also considerable variation at country level. With regard to medium term predictability, the 2014 GPEDC Progress Report states that as of 2013, 83% of estimated funding was covered by forward-looking plans for 2014, 70% for 2014 and 57% for 2015. To meet the 2015 target, the proportions would need to increase to 92% for 2016, 85% for 2017 and 79% for 2018.

However, governments are often able to make domestic multi-year commitments of funding. Two donors (Netherlands and Belgium) are providing 100% complete information on activity level budgets for 2016, with WFP providing this information for 92% of their activities. This demonstrates that publication of forward-looking data is possible, and there is scope for others to learn from these examples of best practice.

- c) **Overlap with the transparency indicator** There is an overlap between the forward-looking dimension of the transparency indicator and the predictability indicator, which may become even more problematic if in future, the transparency indicator measures progress at country level. However, predictability remains a powerful indicator in its own right.
- d) **Predictability of resources for non-government stakeholders?** The indicators seem to only capture predictability of funds intended for governments, they do not assess whether other in-country, non-state, partners are able to better plan ahead on the basis of information from their international funders.
- e) **Public accessibility of provider predictability information** The indicator does not require information to be publicly available, only whether governments have access to such information. Some donors now make their FSS data public, but there is no obligation to do so. Similarly, forward-looking data provided through IATI would be published. But current emphasis of this indicator is on government access, not wider publication and access.

4. Steps Forward

- a) **Determine the reasons for failure to meet successive targets** Rather than reporting continued failure to meet predictability targets, GPEDC should sponsor a forum and / or associated research, in which there can be an open and honest debate as to why providers have found it so difficult to meet successive targets in this area (e.g. Chatham House style conference). In addition, a survey could be conducted to ascertain factors responsible for the perennial gap between commitments and disbursements of development cooperation resources, as very often recipient countries are faced with challenges relating to procurement, absorptive capacity and counterpart funding, drawdown conditions on development cooperation resources, lack of mutual agreement on disbursement schedules vis-à-vis program priorities, among others.
- b) **Clarify the rationale for separate transparency and predictability indicators** The rationale for a single transparency and predictability indicator measuring progress at country level needs to be considered against the political utility of a separate indicator focusing exclusively on predictability. The latter is clearly important but risks duplication/confusion by assessing these separately. FSS and IATI data, for example, can measure the extent to which individual donors are publishing country level plans for future

years. The data should be examined to ensure duplication or mixed messaging do not occur, or consider use of IATI and FSS data as part of this methodology.