

GLOBAL PARTNERSHIP FOR EFFECTIVE DEVELOPMENT CO-OPERATION

**The Global Framework of Indicators and Targets for Monitoring Busan Commitments:
An Update**

For information

20 November 2012

This document is shared with Steering Committee members for information under agenda item 3 of the first meeting of the Steering Committee (5-6 December 2012). It provides an update on progress in developing the global framework of indicators and targets for monitoring the Busan commitments. In identifying the next steps necessary to complete the technical work underpinning some of the indicators and operationalise the global monitoring framework, it also presents opportunities for interested stakeholders to contribute to the process.

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I. Rationale for global monitoring and important guiding principles

1. The Busan agreement provides for a light global monitoring framework, aiming to support global accountability for the implementation of Busan commitments. This framework – and in particular, indicators accompanied by time-bound targets, were a key demand from many recipient countries and Civil Society Organisations (CSOs) during the Busan negotiations. Discussions within the Working Party on Aid Effectiveness (WP-EFF) and Post-Busan Interim Group (PBIG) resulted in a compromise agreement on the scope of ten global monitoring indicators and associated targets. These are by definition *selective* in their coverage of Busan commitments, and are the result of a process with strong ownership of the developing country constituency.

2. Given the voluntary nature the agreement reached in Busan, it is important that any discussions on the global monitoring framework are framed in a way that recognises the voluntary nature of commitments and efforts. The focus on accountability, which remains a central feature of the Global Partnership, will need to be balanced against its broader scope as a space for learning, knowledge-sharing and identifying global solutions.

3. In view of the political-level ambition for the Global Partnership, it will also be important for the Steering Committee to focus its work beyond the global indicators and consider ways of embedding indicators and targets in a broader assessment of progress. Indicators are only one of many opportunities to strengthen global accountability and learning. In some instances, approaches of a qualitative nature may offer more appropriate ways to assess progress and identify lessons learned.

II. State of work on the refinement of the global indicators

4. The joint team was mandated with further developing and refining the indicators to render them operational by the end of 2012. The joint support team brings experience in this area, *e.g.* through its previous work on the Surveys on Monitoring the Paris Declaration.

Global indicators

5. In taking this work further, the joint support team had to look for pragmatic ways of bringing stakeholders in, primarily partner countries and could not rely on a “one-size-fits-all” approach. This is mainly because each indicator is in a different state of advancement and requires working with a different range of stakeholders, drawing on work being under undertaken in other organisations or constituencies (*e.g.* the joint team is collaborating with CIVICUS, UN Women and others). Recognising the importance of working in an open and transparent manner, the joint support team has consulted with experts and interested stakeholders to ensure that the indicators are defined and operationalised in ways that are meaningful to country-level priorities and needs. In doing so, the additional challenge was to ensure that collaboration at the technical level should does not result in the renegotiation of elements agreed previously as part of the post-Busan political process.

6. At the time of writing, the state of work on the refinement of global indicators can distinguish between two broad categories:

- Five indicators are largely final, requiring little or no technical work to render them operational and limited consultation on specific issues to ensure that they can be

operationalised. These relate largely to indicators which are drawing on existing indicators from the Paris Declaration.

- Five indicators require substantial work to render them operational. These relate largely to issues that were new to the Busan Partnership agreement or received greater attention at Busan (use of country results frameworks, CSO enabling environment, private sector engagement, transparency, and gender equality).

7. While work will be completed by the end of the year for most of the indicators in the first category, including the operational guidance, progress in taking the work further on the indicators in the second category has been uneven. It is expected that further methodological work needed in some areas (CSO enabling environment, private sector engagement and transparency) will not be completed until the end of the first quarter of 2013. This should not prevent reporting on progress to be available to inform the ministerial-level meeting at the end of the year. Likewise, some piloting work is envisaged to make some of the indicators fully operational (e.g. use of country results frameworks, annual predictability, mutual accountability, and gender equality). A detailed update for each of the ten indicators is provided in the annex to this document.

Operational guidance

8. Alongside further development and refinement on some of the indicators, the joint support team is developing detailed operational guidance to enable countries and organizations interested in participating in global monitoring efforts to implement the methodology and report data regularly.

9. It is expected that sufficient progress will be made by the end of the year in finalising and refining the methodology for most of the global indicators which will be informed by data gathered at country level so that draft operational guidance can be distributed in early 2013. Discussions are on-going within the joint support team for disseminating the draft operational guidance in such a ways as to allow feedback particularly from developing country stakeholders before finalising it. Dissemination will take different forms depending on the dynamics in different regions and existing processes for outreach and consultation. Stakeholders interested to engage in the process will be invited to do so by liaising closely with relevant partners at the regional and country levels.

III. Implementation arrangements

Rolling out of global monitoring efforts

10. In line with the call for a global light country focused approach, the joint support team will draw on existing sources of data as and when they are available to inform the preparation of global reports of progress in implementing Busan commitments. This will be particularly the case for global indicators which rely on country level information.

11. The joint support team will, in early 2013, consult focal points in developing countries on the design of the process for gathering data at the country level to ensure that the monitoring process is designed in a streamlined way, building on existing country initiatives and cycles where these are in place. This will coincide with the finalisation of the operational guidance in support of the Busan global monitoring framework.

12. It is expected that a first stock taking of progress will be undertaken by mid-2013 to inform the preparation of the first ministerial-level meeting of the Global Partnership scheduled for the latter part of the year. The analysis underpinning the progress report will draw on data available from the set of 10 global indicators and other relevant sources of evidence of a more qualitative nature gathered through a desk review approach on selected areas of particular interest to the Global Partnership.

Support to countries and organisations participating in global monitoring efforts

13. A global Helpdesk facility will be maintained by the joint support team to provide advice to stakeholders in the implementation of the agreed methodologies and processes for monitoring across participating countries and organisations. It will also ensure that arrangements for global monitoring relying on existing sources of data still provide reliable and comparable data across countries and organisations.

14. Such a Helpdesk facility will be established within the proposed web-based knowledge platform (see draft Strategy Note – “Communication and stakeholder engagement for an inclusive Global Partnership for Effective Development Co-operation”). It will be coordinated by the joint support team and will bring together available expertise from the two organisations, including from UNDP regional centres which are playing a key role in supporting overall country-level implementation of Busan commitments.

15. This builds on the positive feedback received from stakeholders on the support provided by OECD and UNDP in the context of previous surveys on monitoring the Paris Declaration. A dedicated web page regularly updated with responses to frequently asked questions and centralisation of specific queries to a single email account proved to be a cost-effective way of responding to ad hoc questions from countries on indicators and the supporting methodology

IV. Next steps / points for consideration by the Steering Committee

Next steps

16. As concrete follow-up, it is proposed that the Steering Committee reviews at its next meeting a draft outline for the progress report on implementing Busan commitments that the joint support team will prepare to inform ministerial level discussions of the Global Partnership at the end of 2013.

The future role of the Steering Committee

17. The Global Partnership for Effective Development Co-operation is the ultimate forum for overseeing efforts to monitor the implementation of Busan commitments. This calls for a strong role of the Steering Committee in providing strategic guidance on international monitoring efforts. The following actions could be envisaged in the future to ensure that global monitoring efforts are credible and support genuine accountability, particularly as the Steering Committee takes forward the discussion on the potential contribution of the post-Busan agenda to other international processes, particularly the post-2015 development framework:

- Identification of approaches that could be used to assess progress more broadly on relevant aspects of the Busan Partnership agreement in order to generate richer analysis of a more qualitative nature beyond the narrower focus on the ten global indicators, when providing guidance for the preparation of ministerial-level meetings.
- Support to country-level efforts to monitor progress and strengthen mutual accountability on a demand-driven basis.
- Light periodic review of global indicators and the methodology underpinning them, which could take place around each periodic review of progress prepared ahead of ministerial level meetings to ensure that global indicators remain relevant to developing countries' needs and priorities.
- A more comprehensive review of the global arrangements for monitoring Busan commitments and emerging lessons learned with a view to assess their relevance for and contribution to the post 2015 UN development framework.

Annex A. Indicator-by-indicator overview of progress, issues and next steps

Detailed information is provided in this annex for each of the ten Busan global indicators. The note describes progress to date in developing definitions and means of measurement for the indicators, some of the remaining issues, and next steps envisaged to complete the work under way.

For indicators where no further work is required, the factsheets provided as part of the PBIG Proposal on indicators, targets and process for Busan global monitoring remain valid as a reference basis.

Indicator 1 - Development co-operation is focused on results that meet developing countries' priorities

Progress to date

Definitions and means of measurement have been further developed on the basis of the proposal agreed by the WP EFF in June. It is proposed to assess that the extent to which providers of development cooperation use country results frameworks: incorporation of objectives and targets from national development strategies and frameworks; use of national indicators and M&E processes; and strengthening of statistical systems and data collections. The proposed approach is to construct various scenarios for each dimension against a high, medium and low scale. Partner countries would then use these scenarios to help them score each provider of development cooperation against this scale.

The joint support team is working closely with stakeholders with demonstrated experience in assessing performance in areas of monitoring and evaluation systems and statistics regarding the refinement of the proposed dimensions to be used to assess the extent to which providers of development cooperation are using country results frameworks. Discussions are also ongoing with selected developing countries who have been directly associated with the development of the Busan global monitoring framework to get their perspectives on the feasibility and desirability of options under consideration for the indicator - as well as information on how the proposals might work practically in their situations. They have also offered examples of good, moderate and bad practice to illustrate scenarios to assess performance of providers of development cooperation on the proposed dimension.

It is expected that the means of measuring this indicators would be close to final by the end of the year, once the proposed approach has been field tested in several developing countries.

Issues

- Establish a link with the quality of results frameworks. During the PBIG discussions, several stakeholders emphasised the importance of looking at the quality of results frameworks, particularly the inclusive process through which they have been developed. The varying stages that each country is at in developing National Development Strategies, Results Frameworks and the underlying data systems to feed these have been factored in the different scenarios. Accordingly, where appropriate country results frameworks do not exist, the performance of providers of development cooperation will

be assessed in terms of how they support to develop them and the extent to which agreed processes to deliver these are on track.

- Balance carefully the scope of assessment and the level of details needed to support rigorous analysis with the manageable level of complexity at the country level.
- Ensure consistency of assessment across countries and across providers of development cooperation within a country. The provision of some concrete examples for each of the scenarios would help developing countries to make assessment and provide guidance in identifying behaviour matching various levels of performance.

Next steps

- Identify 5-10 country focal points interested in testing the definitions and discussing the findings with stakeholders in country (Nov.-Dec. 2012)
- Piloting of methodology at country level (Dec. 2012 – Jan. 2013).
- Refine and finalise operational guidance (Feb-Mar. 2013).

Indicator 2 – Civil society environment

Progress

The WP-EFF agreed that the forthcoming CIVICUS Enabling Environment Index (EEI) would be used as a point of departure for measurement of this indicator. Development of the EEI is currently ongoing.

CIVICUS has constituted a multi-stakeholder Advisory Group to help guide the development of the EEI. The OECD participates in this group in view of the linkages with the post-Busan global monitoring framework. CIVICUS has retained technical experts from the University of California, Berkeley to assist it in the development of the index. CIVICUS is also working closely with the Working Group on CSO Enabling Environment, bringing together CSOs within the post-Busan CSO Partnership for Development Effectiveness (CPDE) that have an interest in following and contributing to the development of the EEI and the Busan indicator.

Desk research undertaken by CIVICUS to date has focused on mapping potential measures and data sources against five key dimensions of the environment within which civil society operates: (i) legal and regulatory framework; (ii) political context; (iii) governance context; (iv) social and economic context, and (v) socio-cultural environment / culture of civic participation. These dimensions may be modified upon further examination by the technical experts, discussion within the Advisory Group and stakeholder consultations.

Online surveys, focus group discussions and limited in-person consultations with stakeholders in developing countries are envisaged over the next quarter so as to develop a better understanding of priorities and issues within the initial mapping of measures. Once the composition of the EEI is finalised (Q1 2013), a proposal identifying those elements of the EEI that should be focused on by the Global Partnership in the post-Busan monitoring indicator will

be developed. This could result in a subset of the measures included in the EEI becoming the post-Busan indicator. Further feedback would be invited from stakeholders at this stage, including members of the CPDE Working Group on CSO Enabling Environment.

Issues

The EEI envisaged is deliberately broad in its scope, allowing users to home in on those dimensions that are of most interest to them. It will be important that the EEI is developed and tested before then informing the post-Busan global monitoring efforts. A final post-Busan global indicator will therefore *not* be ready by the end of 2012, though CIVICUS expects to be able to present initial findings from the EEI in March 2013. These findings could be built on to inform post-Busan stocktaking efforts in the middle of 2013.

The availability of existing data sources remains a challenge, particularly on issues relating to the legal and regulatory framework for CSO activity. The absence of large-scale datasets in this area may require the commissioning of some primary data collection.

CIVICUS is in the process of securing additional funds for its work in this area, which will in turn feed the global assessment of progress presented under the auspices of the Global Partnership. Members of the Global Partnership may wish to consider opportunities to contribute to CIVICUS' work in this area.

Next steps

- CIVICUS EEI Advisory Group meeting (Nov 2012)
- Meetings of the CPDE Working Group on CSO Enabling Environment (Dec 2012 – June 2013)
- Online stakeholder survey, focus groups and in-person consultations (Dec 2012 – Jan 2013)
- Publication of first CIVICUS EEI in its State of Civil Society report (March –April 2013)
- Refinement / selection of EEI components for use in post-Busan reporting (April-June 2013)

Indicator 3 - Engagement and contribution of the private sector to development

Progress to date

Work on detailed definitions and means of measurement is still at an early stage. The joint support team is reviewing the extent to which existing or new indicators, methods and data sets could be used. Developing an indicator to assess private sector engagement is particularly challenging as it would need to involve the government and a wide range of private sector actors (such as foreign and domestic companies, business/employer associations, large companies and SMEs). This may require development and implementation of complex methodology, such as business surveys, which would necessitate significant resources.

More discussion is needed with a wider range of stakeholders to ascertain the desirability and feasibility of exploring different options, including opportunities to potentially co-operate with organisations and research institutions that are already carrying out similar work. This would help to avoid possible duplication of measurement activities. For instance, the joint support team is following the work of the Building Block on Private-Public Co-operation, which is exploring monitoring and evaluation options in relation to the principles of the Joint Statement to Busan¹.

Recognising the challenges involved, it would not be realistic to expect work on this indicator to be completed by the end of 2012. Following further discussions among stakeholders and experts on measurement options, the joint support team could develop a detailed proposal for this Indicator in the coming months. This could in turn lead to a piloting process in a small set of countries later in 2013. Drawing on both quantitative and qualitative assessment, such a piloting process could provide vital information on the strengths and weaknesses of new measurement options for this Indicator, while also yielding initial feedback on the state of play on private sector engagement in a limited number of countries. Meanwhile, the process could ensure strong country and stakeholder interest in this activity, and would provide invaluable information to ministerial level discussions of the Global Partnership.

Issues

- Clarify the extent to which measurement should focus on the scope of engagement and/or the quality of engagement as such, including in terms of inclusiveness.
- Further check availability of existing methodology and data sets; in case of unavailability of suitable methodology and data sets, assess feasibility of developing and testing a new methodology.

Next steps

- Present and review a more detailed proposal by January 2013, based on ongoing discussions with interested partners.
- Agree (by 1st /2nd Quarter 2013) on the approach and timeframe for a piloting process, and identify a selected number of countries in which the indicator could be piloted in 2013.

¹ The Joint Statement to Busan, entitled “Expanding and Enhancing Public and Private Co-operation for Broad Based, Inclusive and Sustainable Growth”, contains an important shared principle which calls for inclusive dialogue between public and private sectors. The Building Block is exploring options how to monitor this dialogue.

Indicator 4 – Transparency

Progress

Limited progress has been made in the development of an indicator to assess implementation of the common transparency standard since the agreement on the scope of the indicator at the June 2012 meeting of the WP-EFF.

An informal working group bringing together stakeholders from both the IATI and DAC WP-STAT secretariats has agreed on a template to help their respective members set out their plans to implement the common standard for information on development co-operation flows. It is expected that these members will publish their implementation plans for the common standard by the end of 2012.

Issues

The way in which the common standard for information on resources provided through development co-operation has been articulated to date makes implementation difficult to measure. The absence of a single set of criteria common to all providers of development co-operation makes it particularly difficult to ensure accountability for implementation. At present, discussions within the informal working group suggest that consensus can be reached on the *range* of ways in which development co-operation providers can improve the availability, quality and timeliness of information on their activities. There is no consensus on what *all* providers must achieve for them to claim that they have implemented the standard “fully”, and therefore met their Busan commitment.

An initial discussion among experts has pointed to the need for the eventual indicator to reflect – as far as possible – the actual availability of data to intended end users. In other words, while implementation plans offer some insights into the intentions and ambitions of co-operation providers, for the indicator to be a useful proxy for transparency co-operation practices, it should focus on whether aid information is actually available to users through the common standard (a focus on implementation, rather than intentions).

Discussions within the informal group also suggest that a broad consensus could be reached on the need for an eventual indicator to address four key dimensions: (i) availability of historical, current and future information on resources flows; (ii) more detailed information on projects and programmes (improved comprehensiveness); (iii) broader coverage and participation (beyond ODA, and beyond traditional donors); and (iv) improved timeliness and more frequent updates of development financing information.

Next steps

As noted above, there is no consensus on what *all* providers must achieve for them to claim that they have implemented the standard “fully”, and therefore met their Busan commitment. Further discussion at the strategic / political level is needed before detailed technical work on an indicator can be advanced. Once these issues have been clarified, the joint team will proceed to develop technical options for this indicator and consult with intended beneficiaries with a view to ensuring that the indicator captures their needs and priorities. Depending on other discussions around the

common standard, a tentative timeframe for the finalization of the methodology for this indicator is end Q1 2013.

Indicator 5a – Predictability (annual)

Progress

The methodology for this indicator builds on lessons learned from the previous Surveys on Monitoring the Paris Declaration. The approach is already detailed in the proposal on indicators submitted to the WP-EFF.

Unlike the previous Paris Declaration indicator 7, this indicator now uses data sourced from donor organisations in-country for both the numerator (aid disbursed) and the denominator (aid scheduled for disbursement).

Issues

There are no major issues requiring further research or consultation to operationalise this indicator. It could be further improved by working closely with developing country stakeholders during the roll-out of the indicator to see how in practice data on *scheduled* disbursements is collected. At present, the methodology envisages ex-post self-reporting by donors (as with the Paris Declaration survey approach), though some countries may wish to look at how data on scheduled disbursements could be collected at the beginning of the period, rather than retrospectively.

Next steps

- Operational guidance to be drafted (Nov-Dec. 2012).

Indicator 5b – Predictability (medium-term)

Progress

The proposal on indicators submitted to the WP-EFF included a definition for this indicator and means of measurement. Further work is now needed to verify that the data can be collected and the indicator calculated in a meaningful way by stakeholders in developing countries.

Issues

Further work is needed to field test the definition of a forward expenditure plan and ensure that stakeholders at the country level are able to report accurately on this. Consideration also needs to be given to the ease with which developing country government officials are able to report on this indicator.

Next steps

- Identify 5-10 country focal points interested in testing the definitions and discussing the findings with stakeholders in country (Nov. 2012)
- Piloting of methodology at country level (Dec. 2012 – Jan. 2013).
- Refine and finalise operational guidance (Feb-Mar. 2013).

Indicator 6 – Aid is on budgets

Progress

The proposal on indicators submitted to the WP-EFF included a definition for this indicator and means of measurement. It builds on the experience of the Surveys on Monitoring the Paris Declaration, and responds to feedback from developing countries – and also parliamentary representatives – to clarify that for aid to be considered “on budget” for the purpose of this indicator, it needs to be included in the budget law passed by the legislature.

Issues

As with indicator 5a, it will be interesting to work with developing country stakeholders during the roll-out of the indicator to see how in practice data on *scheduled* disbursements is collected.

Next steps

- Operational guidance to be drafted (Nov-Dec. 2012).

Indicator 7 – Mutual accountability

Progress

The proposal on indicators submitted to the WP-EFF included criteria for measurement, and these are essentially an improvement of Paris Declaration indicator 12.

Issues

The development of this indicator has been informed by an evolving body of evidence on national-level mutual accountability, including the work of UN DESA and UNDP in support of the UN Development Cooperation Forum. At this stage, the UN DCF is considering future analytic work in this area. It may be interesting to ensure consultation with the DCF and its stakeholders so as to support synergies in analytic work on mutual accountability, including its measurement.

Next steps

- Identify 5-10 country focal points interested in testing the refined definitions and discussing the findings with stakeholders in country (Nov. 2012)
- Field testing of methodology at country level (Dec. 2012 – Jan. 2013).

Indicator 8 – Gender equality and women’s empowerment

Progress

UN Women has undertaken desk research in collaboration with the OECD in order to identify the desirable characteristics of this indicator and propose – in draft format – the elements of an indicator which would measure the *existence of systems* to (i) track the allocation of public resources for gender equality and women’s empowerment, and (ii) make public information on these resource allocations.

The indicator focuses on governments efforts, measured through the existence of systems and processes. UN Women anticipates the inclusion of this indicator in its own corporate performance framework, and would lead in the collection / compilation of data from countries.

The draft elements of the indicator were discussed by specialists at the International Conference on Gender Responsive Budgeting (Marrakech, 9-10 November 2012) and will be finalised by the end of November.

Issues

Much of the literature on gender budgeting remains conceptual and budgeting systems vary significantly between countries and contexts. It is therefore challenging to identify “good” practices for a system that tracks gender equality and women’s empowerment. Analytical work has been undertaken to define the specific criteria of such a system.

Further consideration needs to be given to the exact means of data collection so as to support objective measurement at the country level, avoiding the challenges of response bias which are inherent to processes that rely on self-reporting. A multi-stakeholder process involving triangulation of observations could be envisaged.

Next steps

- Finalisation of detailed criteria (November 2012).
- Field testing (Dec 2012-Feb 2013).
- Methodology finalised and published; data collection commences (2013 TBD).

Indicator 9a – Quality of PFM systems

Progress

This indicator uses criterion 13 of the World Bank's Country Policy and Institutional Assessment (CPIA).

No further work is needed to operationalise this indicator, which is based on an existing data source.

Issues

Discussions over the course of the elaboration of the proposal for indicators to the WP-EFF noted that while the previous Paris Declaration indicator on quality of PFM systems had its limitations, there are currently no viable alternative measures that support comparison over time for a large sample of countries without the need for additional data collection.

Some developing countries have indicated their interest in developing complementary methodologies for monitoring progress in this area. Developments will be watched closely, with a view to ensuring that relevant evidence is drawn on to complete the assessment of progress in this area.

Next step

No additional work is needed at this stage.

Indicator 9b – Use of country PFM and procurement systems

Progress

The proposal on indicators put to the WP-EFF saw the elements of what were previously two separate indicators under the Paris Declaration monitoring framework being merged into a single composite indicator to assess progress post-Busan. This provides an indicator that captures the multi-dimensional nature of country systems as they are used by donors, while remaining relatively simple to calculate, and supporting historical comparisons.

Issues

The absence of a wide-scale existing dataset on the *quality* of developing country procurement systems is a known challenge. This means that this broad indicator on the use of country systems (budget execution, financial reporting, auditing and procurement) cannot be examined against the quality of these four components, indicator 9a above serving instead as a proxy for the overall quality of budgetary and financial management systems. Discussions confirmed the desire of developing countries to retain a component within this indicator which

looks at use of procurement systems by donors in view of particular challenges to progress in this area.

Next steps

- Operational guidance to be drafted (Nov-Dec. 2012).

Indicator 10 – Aid is untied

Progress

Agreement was reached by the WP-EFF on the continued use of the previous Paris Declaration indicator to measure aid untying. Data continue to be sourced from the OECD-DAC Creditor Reporting System, and are based on self-reporting by providers of development co-operation.

Issues

A number of developing country stakeholders have in the past suggested that OECD-DAC data on the tying status of aid underestimates the scale of tying by aid providers at the country level. This may be due to response bias in self-reporting (donors under-reporting the full extent of tying), or it may be that developing country stakeholders perceive aid to be *de facto* tied even when it is *de jure* untied.

Next steps

The joint support team would be happy to continue discussions with interested developing countries with a view to supporting them in the collection of data on aid tying practices at the country level if this is a priority for them. While this would not change the methodology for the global indicator, such additional evidence could be used as a basis for further discussion on tying practices and means of measurement in the future.