

## 2016 monitoring findings at a glance

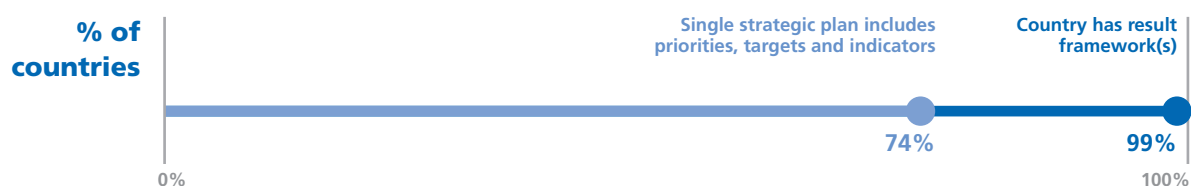
The following section summarises the key findings from the 2016 monitoring round regarding progress in implementing the four principles for effective development co-operation: focus on results, country ownership, inclusive partnerships, and transparency and accountability. This section and the subsequent chapters are organised around these four principles.

## Focus on results

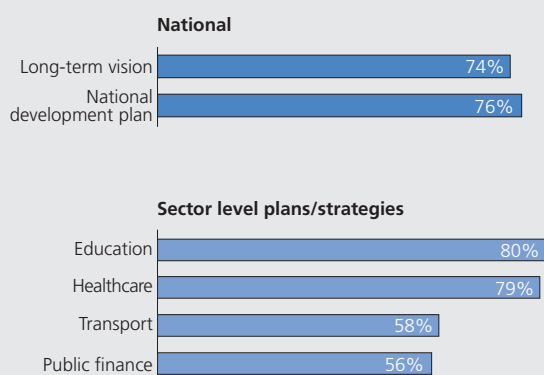
# Countries have made progress in developing results frameworks

Governments agreed to focus on development results by establishing transparent, country-led results frameworks that can support results-oriented planning and strategic policy making.

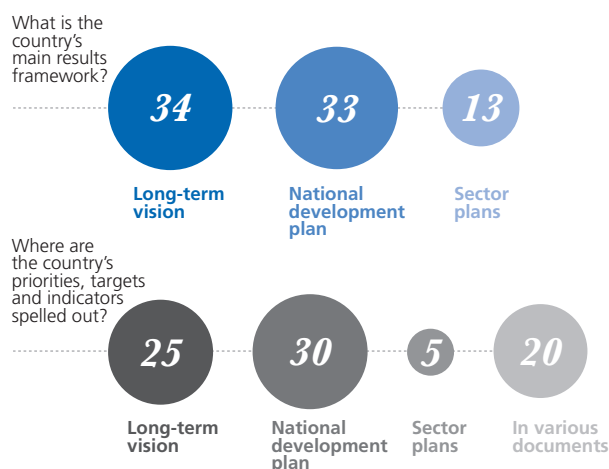
**Indicator 1b** looks at whether a country has results frameworks in place, and whether there are key strategic planning documents containing its national development priorities, targets and results indicators.



*What priority-setting mechanisms do countries have in place at the national and/or sector levels?*



*What types of results frameworks are countries using? (Number of countries)*



## Results at a glance

1. Countries have made **very good progress** in developing **country-led results frameworks**:
  - Most countries have **multiple priority-setting mechanisms** at the national and sector levels.
  - In three out of four countries, priorities, targets and indicators can be found in a **single strategic planning document**.
2. Countries **still have a way to go** in translating their strategic plans and priorities into **results-based budgeting and implementation**; they also need to strengthen their **monitoring and evaluation systems** so that they generate useful information on results.

## Greater use of results information is essential for achieving better development results

- ▶ Moving from strategic planning to results-based management will require **high-level leadership**, more **effective implementation** of legislation and policies, and **strengthened country institutions** and systems.
  - ▶ Many regions face similar **challenges in implementing a results-based approach**, including:
    - **co-ordination and alignment** of budgetary and strategic planning processes
    - the need for **institutional reform** to align public management with results-oriented practices.
- Cross-regional learning** can help in identifying solutions to these challenges.

## Focus on results

# Good partner alignment with country results frameworks needs to be matched by greater use

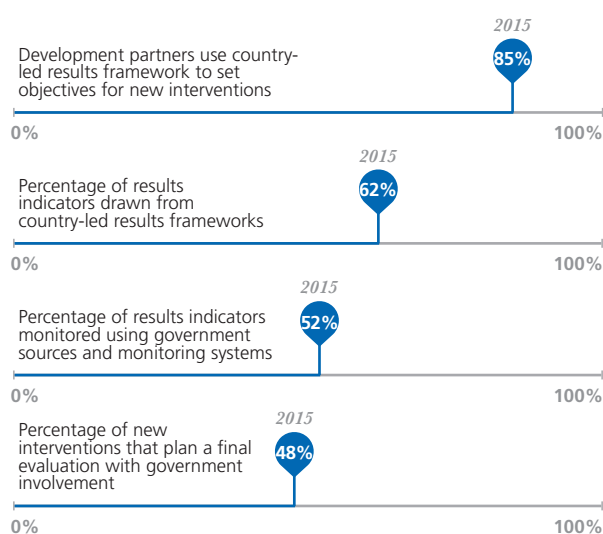
Development partners committed to: using country-led results frameworks to plan and design new development co-operation programmes and projects; using countries' monitoring and evaluation systems to track progress on and achievement of results; minimising the use of other frameworks.

**Indicator 1a** measures the alignment of development partners' new interventions with the objectives and results defined by countries themselves; it also looks at development partners' reliance on countries' own statistics and monitoring and evaluation processes to track progress.

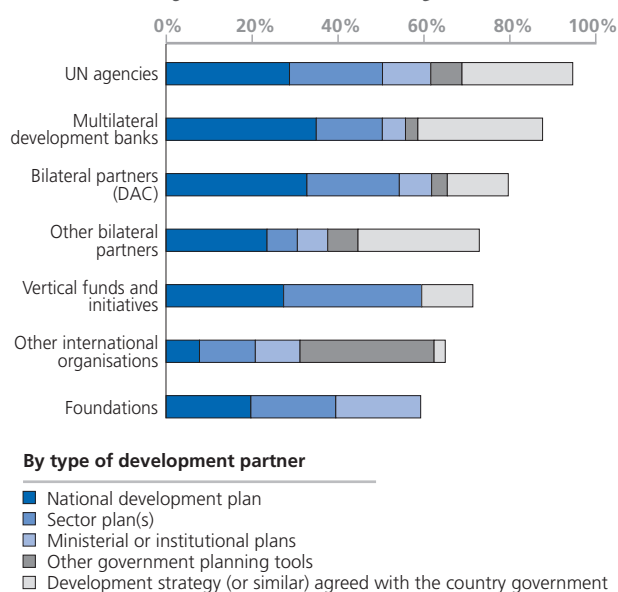
## Scope of the assessment

2 819 new interventions approved in 2015 (valued at USD 73 billion)

### To what extent do development partners use countries' own results frameworks?



### What result frameworks do they use?



## Results at a glance

1. Development partners tend to **align new interventions to objectives prioritised by countries**, relying heavily on national development plans and sector strategies.
2. The use of **country results information** and reliance on domestic **monitoring and evaluation systems** to track project implementation and impact is significantly lower.

### The next step is to increase the use of country-led results frameworks for implementation, monitoring and evaluation of development interventions

- ▶ Country **results indicators**, local **monitoring systems** and **national statistics** need to be used more widely; **government involvement in evaluations** also needs to increase, which may entail expanding support to countries for strengthening national results frameworks and associated tracking systems.
- ▶ Countries are **embedding the Sustainable Development Goals** in their national results frameworks; this opens up opportunities for development partners to strengthen their alignment with national priorities and focus on locally-defined development results.

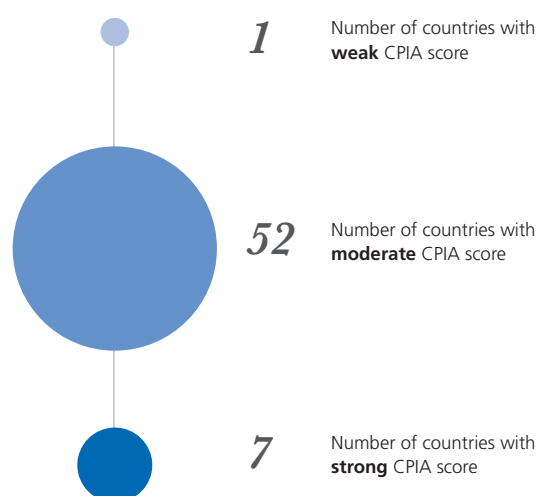
## Country ownership

# New approaches can help to strengthen country systems

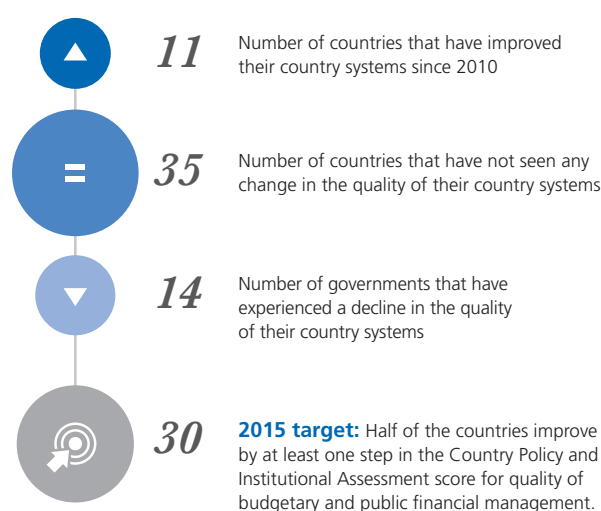
Governments agreed to improve the quality of their national public financial management and procurement systems in order to enhance their effectiveness and improve governance.

**Indicator 9a** measures the quality of country systems using the World Bank's Country Policy and Institutional Assessment (CPIA) scores, rating the quality of budgetary and financial management.

## How strong are countries' budgetary and public financial management systems?



## What progress have countries made in strengthening their systems? (2010-15)



### Results at a glance

1. The quality of **budgetary and public financial management** in most assessed countries (87%) has remained stable at **moderate levels** since 2010.
2. Budgets are better designed than implemented; most countries need to:
  - make their **budgets more comprehensive and credible**, and effectively **link them to policy priorities**
  - ensure good **predictability** and **oversight** in the management of public expenditure
  - subject their budgets to timely and accurate **accounting, fiscal reporting** and **public auditing**
  - strengthen **procurement** practices.
3. The **lack of predictability, inclusion in budgets and effective delivery** of development co-operation funding are included among the crucial hurdles holding back the overall quality of country systems.

### Country systems need to be strengthened

- ▶ Continue work on **joint diagnostics** to identify weaknesses in domestic institutions and co-ordinate support to strengthen them.
- ▶ Move from "best practice" to "**best fit**" approaches to improving public financial management and procurement systems.
- ▶ Find ways to build **political commitment** to support long-term institutional change and reforms in public financial management.
- ▶ Conduct broad **public administration reforms** in parallel to strengthening of country systems to ensure effective transformation.
- ▶ Build a strong **evidence base** on what works and promote active **peer learning**.

## Country ownership

## Partner use of country systems has slightly increased

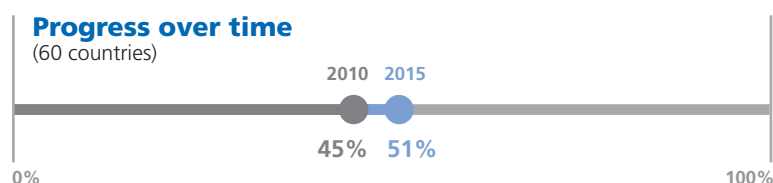
Development partners agreed to use country systems as the default approach to deliver development co-operation in support of activities managed by the public sector.

**Indicator 9b** measures the proportion of development co-operation disbursed for the public sector using the country's own public financial management and procurement systems.

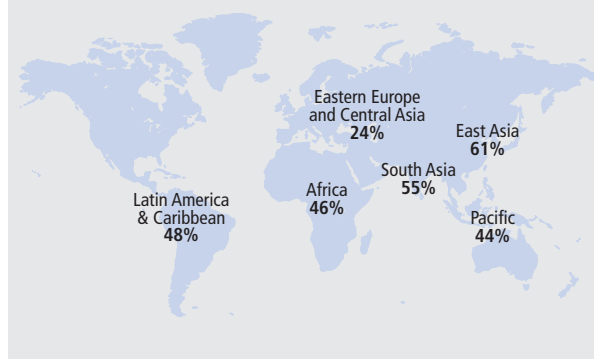


50%

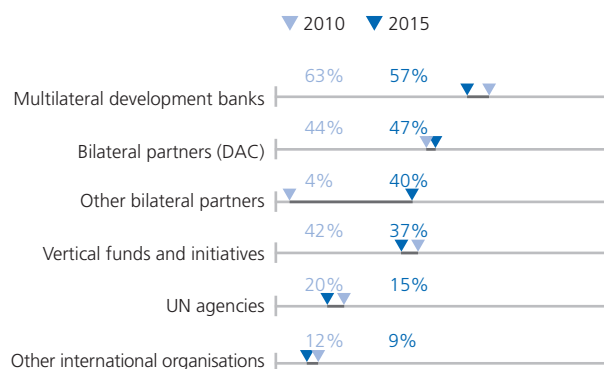
**Global score**  
(81 countries)



### How does the use of country systems differ by region?



### How do development partners differ in their use of country systems?



### Results at a glance

1. In general, the **use of country systems has increased** by 6% since 2010.
2. **Bilateral partners** have driven the increase in use of country systems – particularly those beyond the OECD DAC, who increased their use from 4% to 40%.
3. Development partners are finding diverse ways to use specific systems – increasingly relying on countries' own **budget execution** procedures, **financial reporting** and **auditing mechanisms**.
4. In contrast, the use of countries' **procurement systems** has decreased since 2010.

### Risk needs to be managed, not avoided

- ▶ Development partners tend to rely more on country systems when their **quality is high**, although in **highly aid-dependent countries** they are often willing to assume certain risks.
- ▶ **Evaluation and peer learning** can help to identify and scale up approaches that work, even in the most challenging country contexts.
- ▶ **Innovative approaches** include risk pooling and experimenting with hybrid or novel modalities of development co-operation – beyond budget support.

## Country ownership

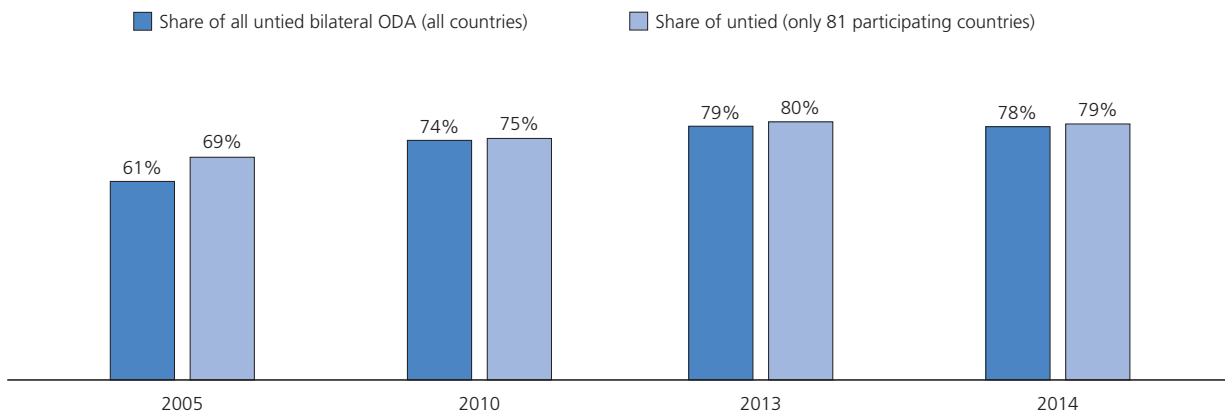
## Progress in untying aid is leveling off

Development co-operation is untied when bilateral partners do not impose geographical constraints on the use of the funds. In Busan, development partners agreed to further untie development co-operation.

**Indicator 10** measures the percentage of bilateral development co-operation provided by OECD-DAC members that is fully untied.



### What is the progress in the share of aid that is untied?



### Results at a glance

1. The share of **untied aid has marginally increased** since 2010; the global average hovers around the peak value reached in 2013.
2. Belgium, Denmark, Ireland, Luxembourg, the Netherlands, Norway and the United Kingdom maintain fully or almost fully untied aid; on the other hand, six DAC members have not achieved the 2010 level of 74% untied development co-operation.
3. The increasing involvement of the **private sector from development partner countries** in delivering development co-operation needs to be carefully managed to avoid further tying of aid.

### Untying aid further will need broad collective action

- ▶ **Peer pressure** amongst the development partner community has helped some partners build support within development agencies to further untie their programmes.
- ▶ The **quality of national procurement systems** can influence the share of aid that is untied; on the other hand, in fragile situations untying aid can play a crucial role in improving these systems.

## Country ownership

# Annual predictability of development co-operation has not increased

**Development partners** committed to disbursing funds in a timely and predictable fashion, according to agreed schedules, so as to enable countries to plan and manage their development policies and programmes with greater effectiveness.

**Indicator 5a** measures the proportion of development co-operation funding that is disbursed to a country's government within the fiscal year in which development partners schedule it. It captures both the reliability of development partners in delivering the resources, and how accurately they forecast and disburse this funding.



83%

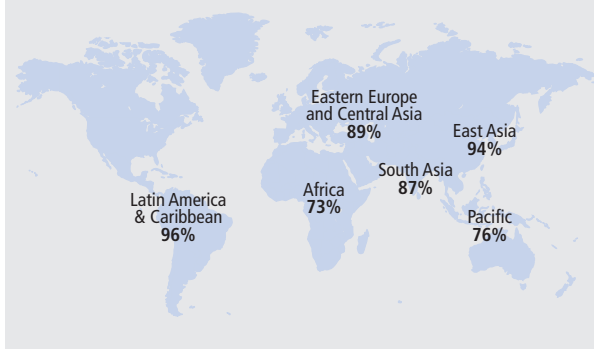
**Global score**  
(81 countries)

## Progress over time

(60 countries)



### How does annual predictability vary by region?



### How does annual predictability vary by development partner?



### Results at a glance

1. Annual predictability remains **at similar levels to five years ago**, falling short of the Busan target; this global average hides important variations, however, among countries.
2. Developing **long-term partnerships** pays off: a country's most significant development partners, both in terms of funding volumes and length of relationship, tend to be their most predictable partners.
3. Predictability is more challenging in **difficult country contexts**. Annual forecasting seems to overestimate the implementation and absorption capacity of the countries with weaker institutions and public administration.

### Effective partnerships and instruments help to overcome technical and structural barriers to annual predictability

- ▶ Investing in **partnerships with countries** is essential. Initiatives such as agency-wide, multi-year rolling plans and budgeting frameworks; longer-term country partnerships, strategies and development co-operation instruments; and effective tracking and reporting all help to increase annual predictability. In contrast, fragmented and short-term support is associated with lower predictability levels.
- ▶ **Country context matters** for predictability. A realistic approach in preparing annual forecasts is particularly important in fragile and conflict-afflicted states.

Country ownership

# Medium-term predictability has slightly improved

Development partners committed to providing forward-looking information on upcoming funding in a timely and predictable fashion, according to agreed schedules, so as to enable countries to plan and manage their development policies and programs with greater effectiveness.

**Indicator 5b** measures the estimated share of development co-operation funding covered by indicative forward expenditure or implementation plans that are shared with the country government (for one, two and three years ahead).



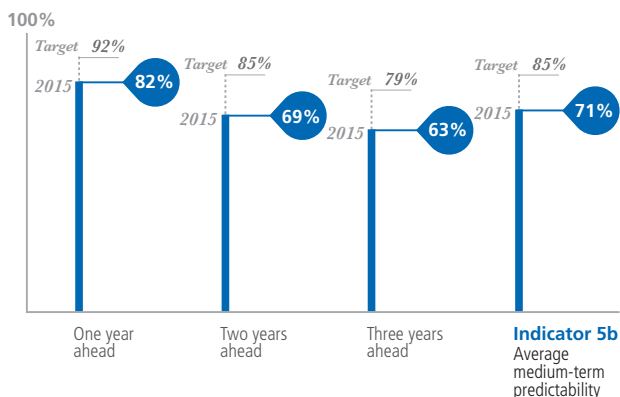
**Global score**  
(81 countries)

### Progress over time

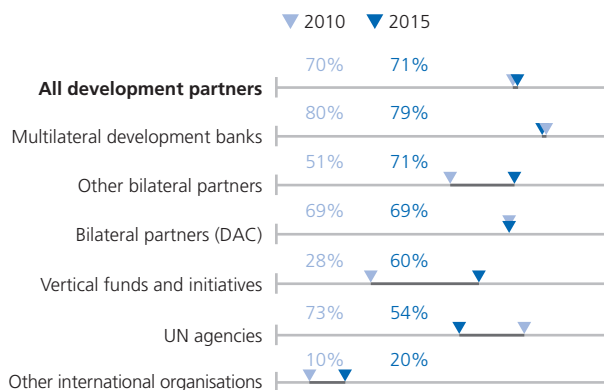
(42 countries)



### How much improvement is still needed in medium-term predictability?



### Which partners have made the biggest gains in medium-term predictability?



### Results at a glance

1. Since 2013, there has been a **4% increase in medium-term predictability**, to 74%. Multilateral development banks and bilateral partners continue to lead in the ranking.
2. **The relative importance** of each development partner to the country determines the level of engagement with the government, affecting the partner's reliability in providing regular estimates, which are crucial for short- and medium-term planning and budgeting.

### Medium-term predictability enhances countries' strategic planning and budgetary capacity

- ▶ Lack of medium-term predictability hinders countries' capacity to manage development resources in a complementary and strategic manner; it also affects the **credibility and comprehensiveness** of their budgetary and public financial management process.
- ▶ Providing timely and accurate **forward-looking funding estimates strengthens domestic accountability**, as it influences the likelihood of recording development co-operation on national budgets.
- ▶ Close to half of the participating countries have or are preparing **medium-term expenditure frameworks** – accurate forward-looking estimates will enhance the quality of these frameworks.



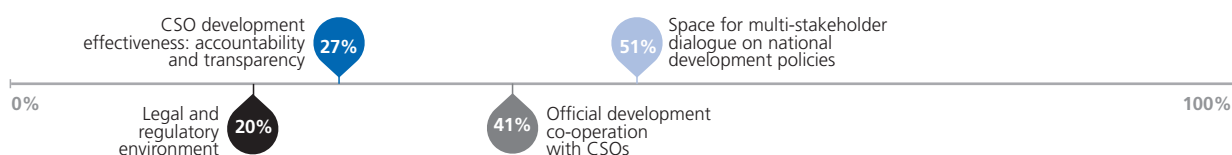
## Inclusive partnerships

# Creating an enabling environment for civil society requires further effort

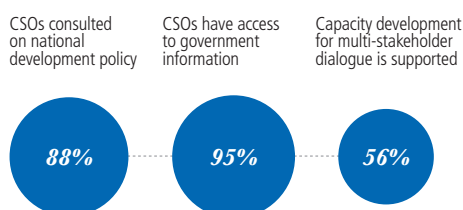
Governments committed to creating an enabling environment for civil society organisations (CSOs) so as to maximise their contribution to development. CSOs agreed to make their operations more effective.

**Indicator 2** looks at: government support for multi-stakeholder dialogue around national development policies; CSO accountability and transparency; official development co-operation with CSOs; and the legal and regulatory environment where CSOs operate.

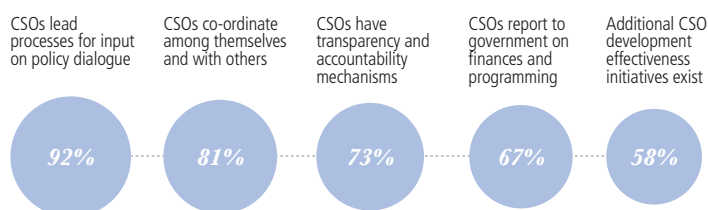
## Percentage of countries with all the elements in place



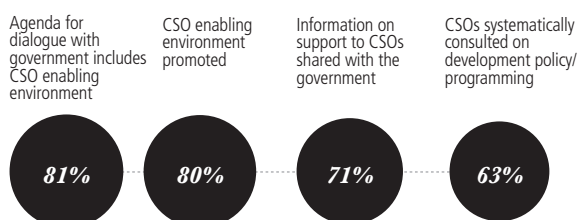
### Do governments support multi-stakeholder dialogue on national development policies?



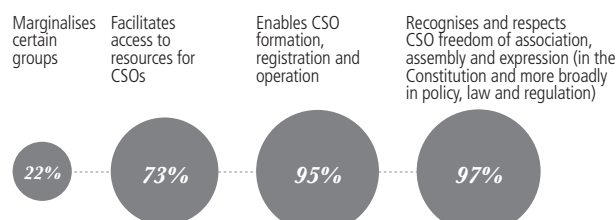
### Do civil society organisations adhere to development effectiveness principles?



### Do official development partners co-operate with civil society organisations?



### How enabling is the legal and regulatory environment?



## Continued efforts are needed to build an enabling environment that will maximise the contribution of civil society to development

- ▶ Governments need to improve their **legal, regulatory and operational policies and practices**, including:
  - ensuring **freedom of expression and association**
  - engaging with CSOs in a **transparent and representative way**
  - improving **regulations to facilitate the operational functioning** of CSOs
  - not marginalising any social group
  - **strengthening the institutional mechanisms** for engagement.
- ▶ CSOs can increase their **development effectiveness** by:
  - **improving co-ordination** of their activities
  - **strengthening reporting** on their development efforts.
- ▶ Development partners can help **strengthen dialogue mechanisms** with CSOs.

## Inclusive partnerships

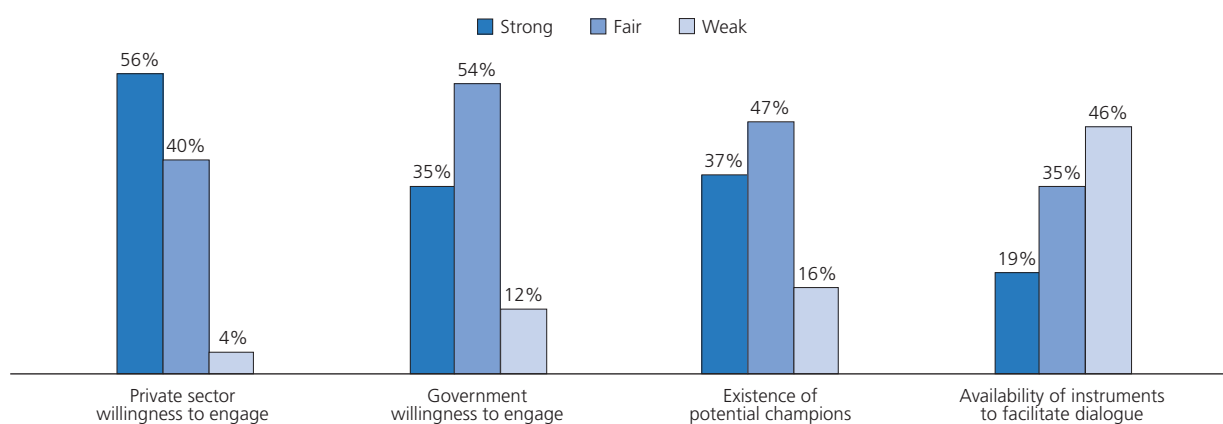
# There is great potential to partner with the private sector

Governments committed to engaging with the private sector: to improve the legal, regulatory and administrative environment for private investment; and to ensuring a sound policy and regulatory environment for public-private partnerships.

**Indicator 3** measures the quality of public-private dialogue by looking at the legal and regulatory environment for private sector activities, a country's readiness to conduct public-private dialogue and the effectiveness of selected dialogue platforms.



## What are the conditions and potential for public-private dialogue?



## Results at a glance

1. In most countries, the private sector and the government are **willing and ready to engage** with each other.
2. A **lack of champions** and **scarcity of instruments and resources** to facilitate and support public-private dialogue diminishes the quality of the dialogue.

## Mutual benefit is a powerful driver of good public-private dialogue

- ▶ To be successful, public-private dialogue must address topics of **mutual benefit**.
- ▶ Instruments and logistics are less of an issue when the private sector is **willing to engage**.
- ▶ **High-level political leadership** helps.
- ▶ The emergence of **champions** is facilitated when both sides express trust and willingness to engage.
- ▶ Focusing on **common interests** and orienting the dialogue towards **useful outputs and results** helps sustain the relationship.
- ▶ Participation of **small and medium enterprises** in the dialogue ensures an inclusive process.
- ▶ Strengthening and institutionalising **mechanisms for engagement** is critical; development partners can play a catalytic role in this sense.

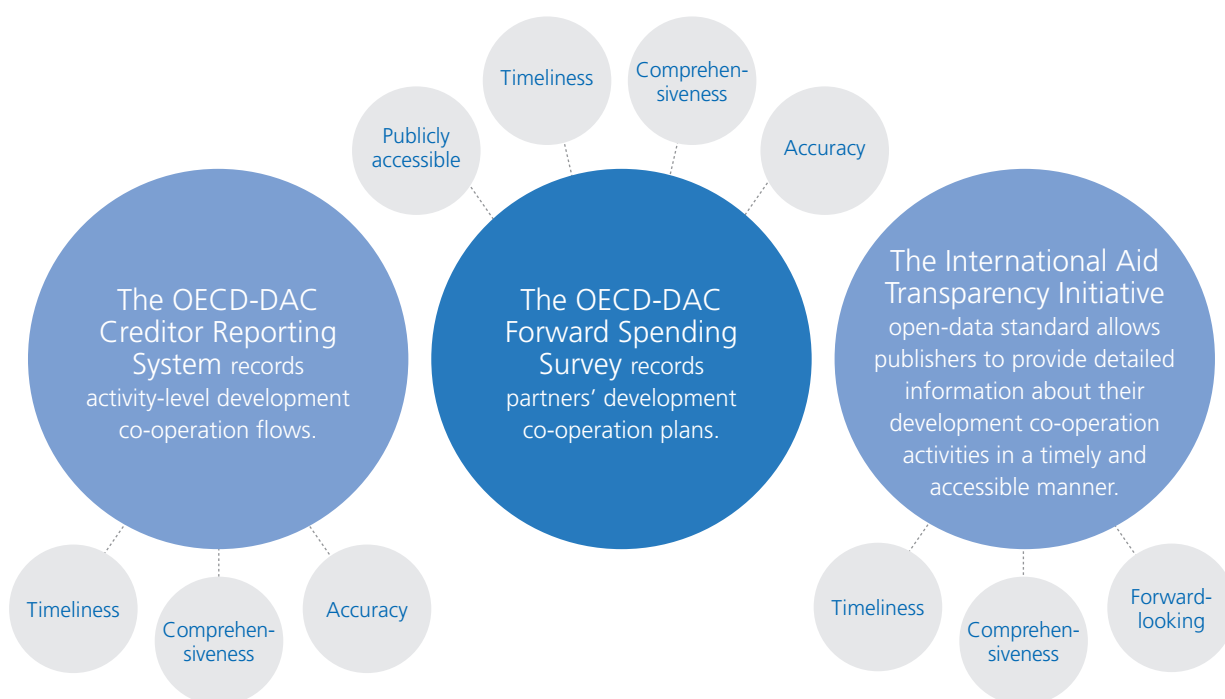
## Transparency and accountability

# Transparency is moving in the right direction

Development partners agreed to improve the availability and public accessibility of information on development co-operation and other development resources in a timely, comprehensive and forward-looking manner.

**Indicator 4** assesses the extent to which development partners are making information on development co-operation publicly accessible, and in line with the Busan transparency requirements.

*What systems and standards do development partners use to provide online data on development co-operation in an open and accessible manner?*



### Results at a glance

- ▶ In general terms, the three assessments show that although development partners have differing strengths in terms of transparency, **the overall picture is good**.
- ▶ Of the 61 partners assessed, **24 achieved "excellent" scores** in at least one of the three assessments (40% of the assessed partners) and 44 achieved "good" in one or several of them (72%).
- ▶ Most notable progress on the timeliness and comprehensiveness of publicly available data, while the publication of forward-looking information continues to be a challenge. Also, observed **trade-offs between data timeliness and accuracy**.

### Improvements in transparency depend on robust policies, sound corporate processes and systems, and dedicated staff

- ▶ Analysis reveals that good reporting to a specific platform or standard does not automatically imply equally good reporting through other channels, evidencing the need to **focus on specific institutional hurdles** in terms of systems, policies or culture.
- ▶ Investments in **corporate processes and information management infrastructure** can help to improve the supply of publically available information on development co-operation.

## Transparency and accountability

# Development co-operation is increasingly on budget

Governments and development partners committed to including development co-operation funds in national budgets subject to parliamentary oversight.

**Indicator 6** measures the share of development co-operation funding for the public sector recorded in annual budgets that are approved by the national legislatures of partner countries.

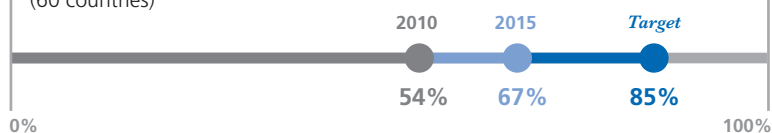


66%

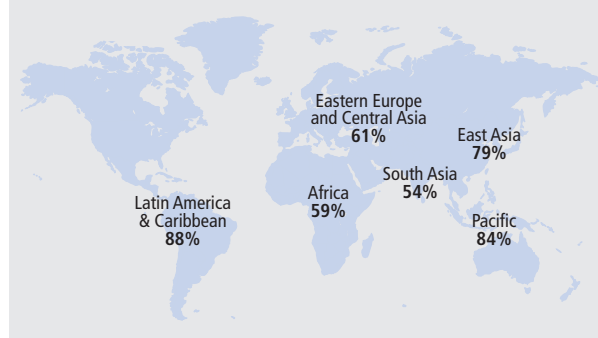
**Global score**  
(81 countries)

## Progress over time

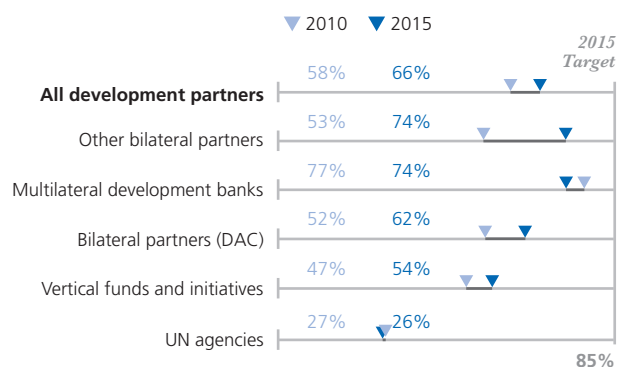
(60 countries)



## How does the share of on-budget development co-operation vary by region?



## How does the share of on-budget development co-operation vary by partner?



## Results at a glance

- ▶ There has been **good progress** since 2010: 15 countries and 29 development partners have met the target of recording 85% of development finance in national budgets.
  - Most countries in **Latin America and the Pacific** have met the target.
  - **Multilateral development banks and some bilateral partners** outperformed other development partners.

## Further progress calls for improvements in budgeting systems and processes of countries and their partners alike

- ▶ **Development partners** may need to continue **investing in corporate systems and processes** to generate timely projections, in accordance with countries' budget planning cycles.
- ▶ **Institutionalising the relationship with the country** matters: larger, more focused country programmes, implemented through national systems and integrated into national budgets, enable parliamentary oversight and accountability.
- ▶ To facilitate the inclusion of development co-operation on budget, ensure adequate oversight and effective use of funds, and increase mutual accountability, **countries** may need to strengthen **budget planning processes and information management systems for public expenditure**. Creating **budgetary incentives for line ministers** to report development co-operation on budget may contribute to central oversight of public expenditure.

## Transparency and accountability

# Tracking budget allocations for gender equality and women's empowerment is improving

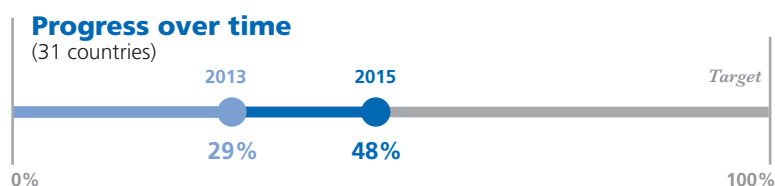
Countries committed to putting transparent systems in place to track public allocations for gender equality and women's empowerment, so as to ensure that public expenditure is appropriately targeted to benefit both women and men.

**Indicator 8** measures the percentage of countries with systems in place to track public allocations for gender equality and women's empowerment, and that make this information publically available.



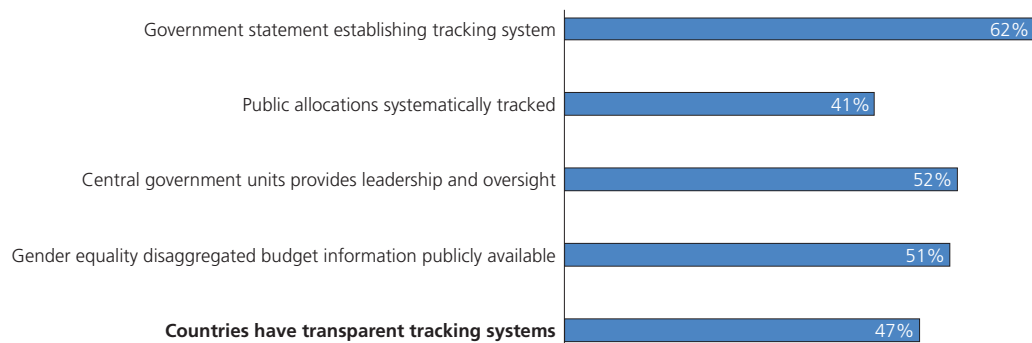
**Global score**  
(81 countries)

47%



## Do countries have the systems they need to track budget allocations for gender equality and women's empowerment?

for all 81 countries



### Results at a glance

1. In 72% of the countries, at least **one of the three basic elements** for tracking gender-related allocations is in place; nearly half of the countries have **all three elements in place**.
2. The next step is to effectively **mainstream gender-responsive programming** across the entire budget, beyond specific sectors and programmes.
3. Countries encounter challenges in moving from the formulation of gender-responsive policy, law or strategies to the **systematic tracking of gender equality allocations and impacts**.

### Transparent systems and the use of gender-disaggregated information are crucial for gender equality

- ▶ **Transparency in gender tracking systems** is critical for effective policy formulation and for accountability.
- ▶ Using gender-disaggregated **data to inform policy and budgeting decisions** is fundamental for achieving gender equality and sustainable development.

## Transparency and accountability

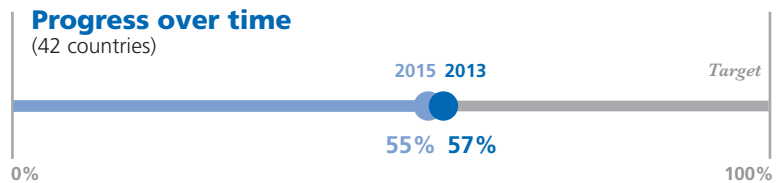
# Mutual assessment reviews need to evolve with the changing development landscape

Countries agreed to put in place inclusive mutual assessment reviews to respond to the needs and priorities of domestic institutions and citizens.

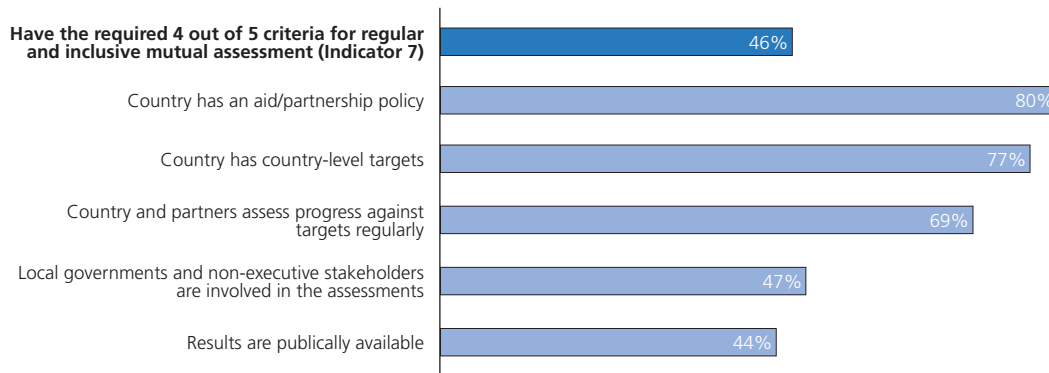
**Indicator 7** measures whether a country has four out of five criteria in place: 1) an aid or partnership policy; 2) country-level targets; 3) regular joint assessment of progress against targets; 4) local governments and non-executive stakeholders included in the assessments; and 5) public availability of the results.



**Global score**  
(81 countries)



## What progress have countries made in conducting and sharing inclusive mutual assessments?



## Results at a glance

1. Progress in **enhancing mutual assessments** is limited due to the **need for greater inclusiveness and transparency** around these process.
2. Countries with mutual assessment reviews have an **increasing number of basic elements** in place for effective accountability, but often these are not enough for meaningful accountability.
3. Parliamentarians and other stakeholders **need to be sufficiently engaged** in reviewing progress against national targets; there is also room to make the results of these reviews **more transparent**.

## Rethinking mutual accountability structures to reflect evolving development models and partnerships

- ▶ While established mutual accountability structures are formulated on traditional development assistance, partnerships for the Sustainable Development Goals increasingly encompass **whole-of-government approaches**, as well as a **variety of development partners**, including southern partners, businesses and philanthropies. These partners all need to be accountable to each other.
- ▶ Most low and middle-income countries need to make mutual accountability processes more relevant in the light of their **evolving development models and partnerships**. **Emerging approaches** in some middle-income countries can provide important lessons.