

REFINING THE GLOBAL PARTNERSHIP MONITORING FRAMEWORK FOR 2030

TECHNICAL NOTE 1

**SUMMARY OF TECHNICAL ADVICE AND DIRECTIONS TO REFINE CURRENT INDICATORS
IN THE GLOBAL MONITORING FRAMEWORK**

SUMMARY OF TECHNICAL ADVICE AND DIRECTIONS TO REFINE THE GLOBAL MONITORING FRAMEWORK

This document provides a background on the measurement of the current indicators of the Global Partnership Monitoring Framework and proposes possible areas for refinement based on the recommendations received from the Monitoring Advisory Group (MAG), lessons learned generated from the 2016 Monitoring Round and feedback received from participants in the Round.

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Note: In the following pages, the concept “development partner” is used to refer to the broad range of partners, including traditional development co-operation providers, private sector, civil society organisations, foundations, south-south co-operation providers.

SUMMARY OF CURRENT INDICATORS, GAPS AND PROPOSED REVISIONS

Current Indicators	Current gap(s)	Proposed revision(s)
PRINCIPLE 1 – FOCUS ON DEVELOPMENT RESULTS		
Governments have set national results framework(s) to define their development priorities and results (1b)	Indicator only assesses existence of national result framework(s); No reflection of SDGs yet	Assess the quality of national result framework(s); Measure SDG uptake
Development partners use those national results frameworks to align, design and monitor the results of their development co-operation activities (1a)	Assessment of alignment and use of country results frameworks only at <i>project level</i>	Assess partners' alignment at <i>country strategy level</i>
PRINCIPLE 2 – COUNTRY OWNERSHIP OF DEVELOPMENT CO-OPERATION		
Governments strengthen their public financial management and procurement systems (9a)	Current indicator (World Bank CPIA-13) offers limited country coverage and no disaggregated information	Use selected PEFA indicators to provide an objective, recognised measure of quality of country systems
Development partners use countries' own public financial management systems to implement their co-operation programmes with partner governments (9b)	Reporting quality can improve (interpretation, reporting gaps); No information about actual donor policy	Improve guidance and validation process; Include a qualitative question about donor policy
Development co-operation is predictable (annual and medium term predictability) (5)	No information about donor policy driving predictability, thus no actionable findings	Include a qualitative question about donor practice
Aid is untied (10)	Current focus on <i>formal</i> tied aid (i.e. explicit restrictions)	Complement data with <i>de facto</i> tied aid levels
PRINCIPLE 3 – INCLUSIVE PARTNERSHIPS FOR EFFECTIVE DEVELOPMENT		
Civil society organisations operate within an environment that maximises their engagement in and contribution to development (2)	Capacity constraints for good multi-stakeholder dialogue; Complex questionnaire	Strengthen the multi-stakeholder dialogue process; Streamline the questionnaire
Quality public-private dialogue promotes private sector engagement and its contribution to development (3)	Current questionnaire does not provide enough information on related challenges	Refine the questionnaire to address critical issues for PSE via development cooperation
PRINCIPLE 4 – TRANSPARENCY AND ACCOUNTABILITY FOR EFFECTIVE DEVELOPMENT		
Transparent information on development co-operation is publicly available (4)	Difficult interpretation of transparency assessments; Only global transparency	Simplify reporting Assess country level transparency
Development co-operation is included in budgets subjected to parliamentary oversight (6)	No assessment of quality of parliament oversight; Reporting inconsistencies	Use secondary data to assess the quality of parliamentary oversight (secondary data); Improve reporting guidance
Governments have systems to track public expenditure for gender equality (8)	Criteria do not reflect practice; Weaknesses in questionnaire	Strengthen the criteria; Refine questionnaire/guidance
Mutual accountability among development partners is strengthened through inclusive and transparent reviews at country level (7)	Outdated mutual accountability structures (traditional bilateral); No consideration of SDGs	Reflect collective accountability at country level (new actors); Reflect efforts towards SDGs

INDICATOR 1

DEVELOPMENT CO-OPERATION IS FOCUSED ON RESULTS THAT MEET DEVELOPING COUNTRIES' PRIORITIES

Background

A country-led results framework provides a foundation for implementing national development strategies and priorities. A country-led results framework is understood as one that is led or originated by the government of the country itself, rather than being provided or imposed by development partners. Development partners providing co-operation commit to rely on developing countries' own results frameworks and monitoring and evaluation systems, reinforcing support to national leadership and ownership and focus on results (PD § 45, AAA § 23). This was reaffirmed in the Busan Partnership agreement in 2011 (BPd § 18 b). The focus on strengthening country-led results framework was emphasised in Mexico (§11). The Nairobi Outcome Document (NOD) made explicit emphasis on the need to adapt the framework to strengthen linkages with the Sustainable Development Goals (SDGs), improving national monitoring and evaluation systems to drive performance, improved development outcomes, facilitating multi-stakeholder participation to ensure no one is left behind (NOD §54). Development partners providing support also committed to using those country-led results frameworks and associated national systems for statistics and for monitoring and evaluation along the policy cycle as a matter of urgency, i.e. in planning, delivering and monitoring development interventions (NOD §55).

What does the indicator measure

This indicator seeks to measure the extent to which, and the ways in which, transparent, country-led results frameworks and other similar country/sector planning tools are used by all concerned stakeholders to plan development co-operation efforts and assess their performance. In particular, the methodology assesses the degree to which development partners rely on objectives and results indicators drawn from existing results frameworks that reflect the country's development priorities and goals, and minimise the use of additional and parallel frameworks. At present, the focus is on all newly-approved development interventions in the country, equal to or above US\$ 1 million.

Measuring the alignment of development partners' new interventions to country priorities in terms of intervention design and type of results reporting serves to estimate the use of country-owned results frameworks by development partners. It also provides information about the degree of respect for each country's policy space and leadership to establish its own policies for poverty eradication and sustainable development (SDG 17.15.1).

Overall assessment and lessons learned

An indicator focusing on country ownership and results remains highly relevant within the context of the SDGs and the Addis Ababa Action Agenda (AAAA), where development partners committed to align activities and funding with national priorities, to promote country ownership and to support a focus on results. Clear existence of country results frameworks, coupled with partners' alignment and joint monitoring of progress in turn facilitates mutual accountability toward results. The 2016 monitoring round has provided useful information on the extent of use of country-led results framework by development partners providing co-operation, and is informing both the Financing for Development's review process as well as the SDGs report.

At the same time, there is also scope for improving the indicator on results. The indicator needs to capture the degree of country leadership in defining its own development path. Results frameworks play an important role to support effectiveness of development interventions and programmes, as well as to support accountability towards development outcomes. They also help communicate about the outcomes and for external accountability. The need to align to multiple levels along the planning,

monitoring and evaluation cycles adds complexity and requires a refined measurement (see an illustrative example of this point in table below).

Table. Illustrative example: Complexity of multiple results frameworks

Development Co-operation Cycle				
	Planning	Monitoring / Data	Evaluation / Impact	
Results Frameworks	Global results frameworks	<i>e.g. SDGs, Paris agreement</i>	<i>e.g. SDG monitoring framework, UNFCCC monitoring</i>	<i>e.g. UN-led follow-up and review for SDGs</i>
	Country-led results frameworks	<i>e.g. National Development Plans</i>	<i>e.g. Countries' own monitoring systems, statistics and data</i>	<i>e.g. Countries' own evaluation systems and reporting mechanisms</i>
	Development partners' country-level strategies	<i>e.g. Country Assistance Strategy (CAS)</i>	<i>e.g. CAS-specific monitoring framework</i>	<i>e.g. Country Programme Evaluation</i>
	Development partners' corporate results frameworks	<i>e.g. Corporate Results Frameworks</i>	<i>e.g. Provider's own monitoring systems</i>	<i>e.g. Provider's own evaluation systems and reporting tools</i>

In strengthening the indicator, the MAG recommended on the following:

- Explore ways to provide more evidence regarding countries' efforts to strengthen results-orientation in country results frameworks. Country-led results frameworks, including sector frameworks, offer many benefits, not only to country's own efforts to achieving developing outcomes, but also to development partners to strengthen the impact of their co-operation. The assessment on the existence and characteristics of country-led results frameworks should be strengthened. It should also capture the inclusiveness of the formulation and monitoring of those results frameworks (e.g. engagement of non-governmental stakeholders, local governments, etc).
- Assess whether countries and development partners are systematically assessing the impact of development efforts. The methodology should indicate whether development partners are countries are both committed to assess results and impact.
- Deepen the understanding of the underlying reasons for not using country-led results frameworks.
- Explore ways to provide an estimate of the development co-operation being assessed by the indicator, as a share of the total amount of development co-operation approved for the specific country.
- Assess development partners' role in strengthening partner country capacities and systems. The assessment indicated that overall country capacity (e.g. statistical and M&E capacities) is important when assessing the use of country-results framework.

Possible areas of indicator refinement

1a: Use of existing country-led results frameworks by development partners

As shown in the figure above, countries and development partners use results frameworks at multiple levels (e.g. global, country-level, corporate/sector) to define which development results need to be achieved¹. In turn, these results frameworks are used as an input to inform policy planning and allocation decisions (e.g. performance-based budgeting). They are also used as reference point to track the achievement of development results. However, the need to report to multiple results frameworks that have complementary purposes creates trade-offs. For example, aligning to and reporting to their

¹ OECD/EU (2017). "[Key Messages from the Mutual Accountability through Results Workshop](#)". *Mutual Accountability through Results Workshop*, Brussels, 9-10 February 2017

own corporate results frameworks allow development agencies to report back to domestic constituencies, but this might be in conflict with aligning to and using countries' own frameworks.²

Measuring the extent to which development partners use country-led results frameworks at different levels and along the full planning/monitoring/evaluation cycle is the focus of this indicator, as internationally agreed. Some possible areas for refinement include:

- Measuring the extent of use of country-led results framework in the design, monitoring and evaluation of development partners' country strategies.
- Continuing assessing the use of country-led results frameworks at the development intervention level, but adopting a whole-of-government approach (i.e. including line ministries) in validating development partners' self-assessments.
- Explore a way to capture more qualitative information on bottlenecks faced by development partners in using the country-led results framework.
- To support the implementation of the SDGs, include a qualitative assessment of the uptake of SDG indicators in current development co-operation strategies. This can be done as a complementary survey to strategic planning units within development partners' agencies and ministries..

1b: Characteristics of country-led results frameworks

The 2015 methodology incorporated a component (indicator 1b) where countries self-assessed the ways in which they set out their development priorities. The first part included a guided qualitative question to describe the characteristics of domestic planning and priority-setting processes, at national and sector levels. The second part asked countries to indicate available planning tools in place (i.e. long-term vision, national development plan, medium-term expenditure framework, and sector strategies).

The practical implementation of the indicator revealed some limitations in the methodology:

- The narrative question, complemented by guiding sub-questions, generated some contextual information, but the quality and comprehensiveness of the responses varied. A better structured questionnaire could improve the information collected by this indicator.
- The indicator produced information on the existence of different planning tools in the assessed country, but not on the quality, articulation, current political *buy-in* and actionability of these planning tools.
- Given that the methodology was developed before the international endorsement of the SDGs, the assessment did not thoroughly measure the extent to which countries were (or planned to) adopt SDGs in their own planning system.
- The indicator did not assess the existence and quality of country-level monitoring and evaluation systems, nor the degree to which evidence and performance information were used to inform policy learning and policy-making.
- Some commitments adopted in the NOD may require a look at the policy cycle beyond the development planning stage.

Proposed way forward

To strengthen the indicator, the Joint Support Team (JST) will collaborate with results based management specialists and the results community, including development partners governments from developing countries, civil society organisations and academics, taking into account the feedback above. Iterative consultations and country testing will take place ahead of broader consultation in the fall 2017.

² The Joint Support Team will draw on country-level case studies and other ongoing research exploring the interactions between country-led results framework and providers' own efforts to improve programme and institutional effectiveness, as a vehicle to strengthen accountability.

INDICATOR 2

CIVIL SOCIETY OPERATES WITHIN AN ENVIRONMENT WHICH MAXIMISES ITS ENGAGEMENT IN AND CONTRIBUTION TO DEVELOPMENT

What does the indicator measure

This indicator seeks to assess the extent to which governments and development partners contribute to an enabling environment for civil society organisations (CSOs). It also assesses the extent to which CSOs are implementing development effectiveness principles in their own operations. It is structured around four modules: (1) space for multi-stakeholder dialogue on national development policies; (2) CSO development effectiveness: accountability and transparency; (3) official development co-operation with CSOs; and (4) legal and regulatory environment. This indicator is built both to spark multi-stakeholder dialogue at the country level among governments, CSOs and development partners, and to assess progress in creating an enabling environment for CSOs and in enhancing the effectiveness of CSOs' operations.

Overall Assessment

The Monitoring Advisory Group and the stocktaking exercise carried out by Global Partnership Initiative 12³ consider this indicator highly relevant for effective development co-operation, consistent with the multi-stakeholder character of the Global Partnership and with the role of CSOs in SDG implementation.

Fifty-nine countries (73%) reported on this indicator as part of the 2016 monitoring round, organising country-level multi-stakeholder dialogues to agree on answers for the 16-item questionnaire. Most countries carried out the consultations resorting to "focal points" for the different constituencies (e.g. CSOs, trade unions, development partners), while others consulted with existing fora and dialogue platforms between government and CSOs. In a handful of cases, other mechanisms to gather inputs were used, such as online surveys or targeted consultations. The government was ultimately tasked with drafting the responses, but the different stakeholders were allowed to dissent and provide alternative responses in case of disagreement.

The indicator generated useful evidence and dialogue in most countries. However, the exercise served to identify methodological and process issues. Some of the methodological areas for improvement include strengthening the questionnaire design, allowing for more nuanced responses, sharpening the questions and improving the mechanisms to capture participants' agreement with the government responses. Among the process issues, the approach needs to take into account disparity in capacity among countries and stakeholders to carry out a meaningful dialogue and provide elements for follow-up and institutionalisation of the dialogue process.

Possible areas of indicator refinement

Fine-tuning the assessment tools

- Consider ways to shorten and simplify the questionnaire.
- Consider whether contextual information, as in indicator 3 module 1, may be provided as a starting point for the dialogue around the questionnaire.
- Consider different options suggested to refine the indicator methodology, including: (a) alternative input methods (e.g. scales rather than yes/no answers, length of narratives); (b) ensure that modules cover the breadth of the issue (e.g. CSO development effectiveness/contributions) or other dimensions (e.g. CSO-private sector partnerships); (c)

³ TTCO (2016). *Global Partnership Initiative 12: Stock-take of Indicator 2 Monitoring*. Available at <https://taskteamcso.com/gpi-12-stock-take/>

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validate the questionnaire wording throughout cognitive interviewing; (d) provide greater guidance on implementation.

- Consider translating the questionnaire to other widely-used languages among participating countries, beyond English/French/Spanish (e.g. Arabic, Portuguese).

Strengthening the multi-stakeholder dialogue

- Encourage national coordinators to make full use of the monitoring timeframe, to allow for proper time to hold multi-stakeholder dialogue before data submission.
- Strengthen the role of development partners in country in supporting the organisation and dialogue and development partners at HQ in providing guidance on their HQ policies for CSO engagement.
- Facilitate capacity development for national coordinators and focal points to meaningfully engage in the country-level dialogue.
- Encourage stakeholder group reflection on country-level results, and implications for their practices.
- Propose guidance for national coordinators to assume a leading role at country level and institutionalise multi-stakeholder engagement in between monitoring rounds.
- Consider ways to strengthen the representativeness of focal point model, including by reaching out to other stakeholders beyond the largest groups or outside the capitals.

Proposed way forward

The Joint Support Team is collaborating with CSO Partnership for Development Effectiveness (CPDE) and the Task Team on CSO Development Effectiveness and Enabling Environment to refine indicator 2. A proposed way forward includes:

- An informal meeting took place in early April, with CPDE and Task Team participants from partner countries, development partners and civil society organisations, which performed a preliminary stocktake of the current methodology and feedback and identified potential areas for improvement.
- The Joint Support Team will take the technical refinement work forward, in liaison with an informal working group to prepare proposals for broader stakeholder consultation. The group will include representatives of the relevant constituencies participating in the reporting of this indicator, with the help of experts from CPDE and the Task Team on CSO Development Effectiveness and Enabling Environment.
- The informal working group, as well as their constituencies and reference networks, will be consulted iteratively on the successive draft versions of the refined indicator.
- To assess quality of the questionnaire, the revised survey may also be tested using cognitive interviewing techniques. To assess feasibility and realism, the proposed multi-stakeholder approach will be tested with implementers.
- The revised indicator will be submitted for overall consultation, as part of the revised monitoring framework package.
- A revised methodological note reflecting the revised indicator methodology will be submitted for review and endorsement by the Global Partnership Steering Committee.

INDICATOR 3

ENGAGEMENT AND CONTRIBUTION OF THE PRIVATE SECTOR TO DEVELOPMENT

Background

The Busan Partnership agreement recognises “the central role of the private sector in advancing innovation, creating wealth, income and jobs, mobilising domestic resources and in turn contributing to poverty reduction” (BP§ 32). The specific commitment was also made to “enable the participation of the private sector in the design and implementation of development policies and strategies to foster sustainable growth and poverty reduction” (BP§ 32b), along with the commitment to improve the enabling environment for private investment, private sector development, public-private partnerships, strengthening of value chains and strengthening of development impact of private sector operations.

What does the indicator measure

Effective development partnerships are a prerequisite for ensuring development impact. This indicator assesses the quality of public-private dialogue (PPD) at the country level, in particular the engagement of the private sector in the development planning process. It aims to reveal strengths and room for improvement in public-private engagement in order to, ultimately, maximise its contribution to sustainable growth and poverty reduction.

The indicator builds on tools developed by the World Bank, and is structured around three modules: (1) legal and regulatory context for PPD; (2) country’s readiness to host, create or sustain a dialogue process; and (3) organisational effectiveness of a given PPD platform. It is conceived as a mix of globally-sourced data (module 1) and of country-sourced data (modules 2 and 3). Module 3 (optional) aims to deepen the analysis through case studies of specific PPD platforms, facilitating peer-learning of different PPD approaches and disseminating best practices and lessons learnt.

Overall assessment and lessons learned

Fifty-five countries (68%) undertook country-level assessment of PPD as part of the 2016 monitoring round, organising country-level multi-stakeholder dialogues to respond to the questionnaire. The exercise allowed for a mapping of the status of public-private dialogue platforms across participating countries, identifying underlying factors affecting the engagement among these actors (e.g. lack of champions, resources and logistics).

Participants indicate the multi-stakeholder approach to answering the questionnaire provided an entry point or an opportunity to strengthen collaboration between public and private sector. However, no country undertook the optional module 3, which provides an in-depth assessment of a specific PPD platform but requires consulting services to do so. Several countries have shown interest but cited the lack of resources as the main challenge to carry such an assessment.

Although the quality of PPD is an important issue, the MAG and other Global Partnership constituencies have raised questions about linkages between PPDs and the role of private sector in development co-operation, and also on the scope of the PPDs currently monitored through this indicator. In order to strengthen relevance, usefulness and efficiency of the indicator, the MAG recommended the following:

- Explore ways in which to assess the private sector interactions in development co-operation.
- Assess the inclusiveness of the public-private dialogue itself, particularly with regard to the voice given to different private sector stakeholders (e.g. domestic firms and multinationals, small and medium enterprises, small producers, etc).

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- Improve the methodology to capture the specific conditions for an effective public-private dialogue, going beyond the current focus on the willingness and readiness of the parties, and the instruments and facilitators to carry out the dialogue.

Possible areas of indicator refinement

The following areas could be refined:

- Module 1: Identify complementary measures to capture relevant conditions that shape an enabling environment for PPD, particularly for those that contribute to sustainable development. Possible resources include ILO's Enabling Environment for Sustainable Enterprises toolkit.
- Module 2: Improve methodology by deepening the assessment of the quality of public-private partnerships, including by expanding the questionnaire to capture critical issues for private sector engagement in development. This includes looking at the development orientation and inclusiveness of public-private collaboration, and the ability of parties to identify and engage in areas of mutual benefit.

Proposed way forward

- Establish an informal technical working group, bringing together relevant stakeholders and experts in order to develop a refined methodology.
- The Joint Support Team will prepare a proposal for targeted and broad consultation.
- The post-consultation revised methodology will be submitted for consideration by the Global partnership Steering Committee.
- The role of the JST will be limited to establishing a methodology guide and quality assurance for comparability. Case studies will be undertaken independently by other institutions.

INDICATOR 4

TRANSPARENT INFORMATION ON DEVELOPMENT CO-OPERATION IS PUBLICLY AVAILABLE

What does the indicator measure

The Busan Partnership agreement commits development partners to implement a “common, open standard for electronic publication of timely, comprehensive, and forward-looking information on resources provided through development co-operation, taking into account the statistical reporting of OECD and complementary efforts of International Aid Transparency Initiative (IATI) and others” (BPA § 23c). As such, the Global Partnership Monitoring Framework’s Indicator on Transparency provides information on the implementation of a common standard for reporting data on resources provided through development co-operation.

The indicator aims to support evidence-based policy dialogue on the transparency of development co-operation and to facilitate mutual accountability and learning at the country and global levels. The common standard was to rely on the OECD DAC Creditor Reporting System (CRS) and Forward-Spending Survey (FSS) and the International Aid Transparency Initiative (IATI).

Overall assessment and lessons learned

While the indicator was designed to assess the status of implementation of a common standard by development partners providing co-operation, a single common standard was not developed along the lines mandated by the Busan Partnership agreement. This is due to fact that the OECD-DAC CRS and FSS and the IATI standard are each designed to meet different needs of various audiences and these do not offer comparable assessments regarding the transparency practices of development partners. For this reason, the measurement of development co-operation transparency in the 2016 monitoring round relies on assessing provider performance in reporting to these three channels, as agreed in Busan.

The transparency assessments were based on global level reporting to CRS, FSS and IATI standard. Global transparency is considered critical not only as part of the commitments made in Busan, but also in the context of the Addis Ababa Action Agenda follow-up. However, the MAG acknowledged that the current indicator only reflects global transparency levels (i.e. reporting to global repositories and standards), but does not assess in-country access to and usability of this information. Similarly, country-level data collection for the Global Partnership monitoring confirms that countries receiving development co-operation still face challenges regarding the access to information on development co-operation for development planning, budgeting, execution and monitoring and evaluation. Finally, most of the information being made publicly available focuses on financial flows and development activities, but information on results is more limited, hindering global and country-level accountability.

To further strengthen the usefulness and relevance of this indicator, the MAG recommended the following:

- Capture the demand side for data use at the country level, including the way countries capture that information (e.g. existing aid information management systems, integrated public financial information management systems, etc);
- Monitor transparency of information on development activities captured through the Public Financial Management (PFM) systems and Aid Information Management Systems (AIMS);
- Improve the interpretability of the results, in a way that is simple to communicate.
- Capture progress on specific commitments on data use at country level.

Possible areas of indicator refinement

The Nairobi Outcome Document emphasises that the shared principle of transparency is relevant to all Global Partnership stakeholders. It also emphasises the need to strengthening national systems

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throughout the data cycle, from data generation to data use for decision-making, guiding investments, and targeting and allocating public expenditure (NOD §74, §76f). Development partners providing support also commit to making development co-operation more transparent, meeting the information needs of partner countries receiving support, citizens, and other Global Partnership stakeholders. They are asked to rely on open data international standards such as the IATI and the statistical requirements of the OECD-DAC. They committed to publish data on development activities as regularly as possible, including forward-looking data and data on results and evaluations; and to work together to improve the availability, accuracy and use of open data on development co-operation at the country level (NOD § 77a, b, e).

Based on the emphasis made on accessibility and use of information at the country level, the refinement of this indicator might consider the following areas:

- Explore accuracy of data on development co-operation as an additional sub-dimension, which may be tracked through the global indicator. A refined methodology will need to bring together these additional dimensions while communicating the results in a simple and politically appealing manner.
- Explore an additional sub-indicator that looks at tracking availability and use of the information on development co-operation at the country level. To this end, a methodology could consider a way to capture available information in country systems, through various Management Information Systems (e.g. Financial Management Information Systems (FMIS), AIMS, Debt Management Systems), complemented by information from the Open Budget Survey, the work of the International Budget Partnership, the Open Government Partnership, and other relevant sources.

Proposed way forward

Both the OECD-DAC statistical systems and IATI have independent governing bodies, which are actively pursuing improvements in transparency of development co-operation. In addition, 74 low and middle income countries have an integrated financial management system, and over 50 countries have an AIMS or an excel-based tracking system on development co-operation. Further refinement work on the global indicator on transparency is proposed to build on the efforts made by the OECD-DAC Working Party on Statistics and the IATI supported by respective secretariats. The Joint Support Team proposes to:

- Engage with the OECD-DAC working party on development finance statistics and IATI in refining the global indicator on transparency. In particular, there is a need to discuss their respective approaches to assessing accuracy and quality of information.
- Further refinement will explore ways to provide a simple, meaningful and actionable presentation of the results.
- Conduct a preliminary mapping of the status of data availability at country level.
- Develop a methodology to assess transparency at country-level, based on comparative work on AIMS/PFM current practices and challenges in capturing such information. The methodology could also explore capturing the availability of medium-term information on development co-operation (complementing indicator 5b).
- Consider working with an informal expert working group that brings together partner country receiving development co-operation, country-level representatives of development partners providing development co-operation, civil society organisations, and relevant organisations, such as the International Budget Partnership and the PEFA Secretariat. This working group would support the development of a methodology to measure the availability and use of information on development co-operation at the country level.
- Working with these experts and consulting with relevant stakeholders, the Joint Support Team will prepare a proposal on refined methodology for this indicator. It will be submitted to extensive consultation and eventual endorsement by the GPEDC Steering Committee.

INDICATOR 5

DEVELOPMENT CO-OPERATION IS MORE PREDICTABLE

Background

Improving predictability of development co-operation has consistently been an essential part of efforts for more effective development co-operation. Predictable development co-operation supports sound fiscal planning and implementation of country's own development strategies and programmes. The 2005 Paris Declaration committed the development community to increase the predictability of development co-operation, in order to enable developing countries to effectively plan and manage their development programmes over the short and medium term (PD §26). In the Accra Agenda for Action, development partners agreed to provide full and timely information on annual commitments and actual disbursements, as well as regular and timely information on their rolling three-to-five year forward expenditure and/or implementation plans –with at least indicative resource allocations that developing countries could then integrate in their medium-term planning and macroeconomic frameworks (AAA §26).

In the Busan Partnership agreement, the commitment made on annual predictability was reconfirmed, and those development partners committed through the Accra Agenda for Action agreed to provide available, regular, timely rolling three-to five-year indicative forward expenditure and/or implementation plans to all developing countries with which they co-operate. Other actors indicated that they will aim to provide relevant information on their plans with regard to future co-operation over the medium-term (BPd §24 a).

The Addis Ababa Action Agenda (AAAA) “encourage[s] the publication of forward-looking plans which increase clarity, predictability and transparency of future development co-operation, in accordance with national budget allocation processes.” (AAAA§53)

What does the indicator measure

This indicator is composed by:

- Indicator 5a – Annual predictability: Proportion of development co-operation funding disbursed within the fiscal year within which it was scheduled by development partners. This indicator focuses on predictability of development co-operation within a reporting year. In doing so, it recognises that shortfalls in the total amount of funding for the government sector and delays in the annual disbursements of scheduled funds can have serious implications for a government's ability to implement development policies and strategies as planned. This indicator measures the gap between development co-operation funding scheduled by development partners and development co-operation funding effectively disbursed as reported by them. It also captures implementation challenges.
- Indicator 5b - Medium-term predictability: Proportion of development co-operation funding covered by indicative forward spending plans provided at country level. This indicator focuses on medium-term predictability of development co-operation. It measures whether developing country governments have at their disposal a forward expenditure and/or implementation plan for each provider of development co-operation over the period of the following three years. In doing so, it recognises that lack of comprehensive forward information on development co-operation funding can have serious implications for a government's ability to plan and implement policies and strategies, deliver public services and design and conduct sound macro-economic policy. The lack of this information also prevents governments from including it on budgets submitted for parliamentary scrutiny.

Overall assessment and lessons learned

Predictability of development co-operation remains a strong priority for countries receiving co-operation (see Annex 6). Indicators 5a and 5b continue to be relevant, however the following requires consideration:

- Despite a series of political commitments made since Paris, progress on predictability has been slow and successive targets have been missed. Indicators 5a and 5b, in their current format, do not reveal the underlying reasons for under-performance.
- The methodology for indicator 5b does not capture the volume of development co-operation covered by the indicative forward-spending plans but measures the proportion of development partners sharing forward looking expenditure/disbursement plans with the government for the next three years. As such, it does not provide sufficient evidence on the quality and usefulness of the information in relation to governments' fiscal planning and macroeconomic frameworks. In addition, there is no linkage with Indicator 4 on transparency.

Proposed way forward

- For both indicators, complement the information with qualitative elements that identify the underlying reasons driving underperformance.
- For indicator 5b, explore a methodology that assesses the usefulness of the forward-looking information provided by development partners.
- Working with relevant experts and consulting with Global Partnership stakeholders, the Joint Support Team will prepare a proposal on refined methodology for these indicators. It will be submitted to extensive consultation and eventual endorsement by the Global Partnership Steering Committee.

INDICATOR 6

DEVELOPMENT CO-OPERATION IS ON BUDGETS THAT ARE SUBJECT TO PARLIAMENTARY SCRUTINY

Background

Budget formulation is a central element of the policy process in every country. Reflecting development co-operation on the budgets submitted for parliamentary scrutiny and approval is crucial for domestic oversight and accountability. It also encourages alignment of development co-operation with national policies and programmes.

Echoing the above, the Accra Agenda for Action (2008) reflected a commitment to “facilitate parliamentary oversight by implementing greater transparency in public financial management, including public disclosure of revenues, budgets, expenditures...” (AAA §24). In 2011, the endorsers of the Busan Partnership agreement agreed to “...strengthen the role of parliaments in the oversight of development processes” (§21a). The NOD also highlights the crucial role of parliaments in ensuring domestic ownership and accountability.

The 2016 monitoring round showed that, since 2011, governments and development partners have made significant progress in increasing the share of development co-operation recorded on budget.

What does the indicator measure

The indicator measures the extent to which government budgets, at the time of formulation, include all the expected development co-operation funding⁴. The responsibility of ensuring that development co-operation is recorded on budget is shared between development partners and national governments: development partners need to provide the information on scheduled disbursements to the government in a timely manner, so governments can then record these funds on the budget proposal submitted to parliament.

Overall assessment and lessons learned

The MAG indicated that indicator 6 continues to be highly relevant for development effectiveness. Reflecting development co-operation on budget increases country ownership, transparency and accountability (through parliamentary scrutiny). Participating governments also considered this a priority area (see Annex 5).

Nevertheless, the MAG suggested complementing the assessment with a reference to budget transparency, which would then allow for a better understanding of the external transparency of development co-operation (i.e. as reflected on open budgets). The MAG also suggested to look at the degree to which parliaments have the capabilities and processes for meaningful oversight of the budget (and by extension of development co-operation included there).

Finally, the implementation of the monitoring round suggests that national co-ordinators could benefit from better guidance on how to gather the data for this indicator. For example, current guidance does not clarify that national co-ordinators need to look at the latest budget submitted to parliament for approval to obtain the information. This resulted in several iterations to validate the data and complete missing information.

⁴ Budget support is always on budget, but other modalities including project support can and should also be recorded on budget, even if funds do not pass through the country’s treasury.

Proposed way forward

The methodology to measure the share of development co-operation recorded on budget continues to be applicable but some small adjustments could be introduced to address the challenges observed in the 2016 monitoring and recommendations received from the MAG:

- The Joint Support Team will aim to consult technical staff responsible for providing information on development co-operation to partner countries and with partner countries' officers responsible for transmitting information on development co-operation flows to budget divisions for their inclusion in national budgets. The objective is to identify where the difficulties are and how they can be addressed.
- The Joint Support Team will explore current practices that development partners use to overcome the issue of overlapping fiscal year (which prevents timely sharing of the information with partner countries), to provide better guidance and to share good practices.
- Consultations may also be envisaged with parliamentarians on the best way to measure budget transparency and parliamentary oversight of budget information, to measure the role of parliamentarians in overseeing the use of development co-operation.
- Complementary assessments may explore the effect of development co-operation information shared in open data formats (e.g. through AIMS) on increasing the likelihood of including it in government budgets submitted to parliament.

INDICATOR 7

MUTUAL ACCOUNTABILITY AMONG DEVELOPMENT PARTNERS IS STRENGTHENED THROUGH INCLUSIVE REVIEWS

Background

The Busan Partnership agreement centres its mission on the principles of transparency, mutual accountability among partners and accountability towards the intended beneficiaries of development efforts.

The concept of mutual accountability in development co-operation was strongly anchored in the Paris Declaration on Aid Effectiveness (PD § 50), which commit to enhance domestic accountability for development policies, strategies and performance as well as to be accountable for development results jointly in the use of resources (PD § 3 iii, § 47). The Accra Agenda for Action reconfirmed this commitment, further pledging to step up efforts to ensure that mutual assessment reviews are in place in all countries, with stronger parliamentary scrutiny and citizen engagement to hold each other accountable for mutually agreed results in keeping with country development and aid policies (AAA § 24b). The Busan Partnership Document further encourages participation of all development co-operation actors in mutual assessment processes (BPD § 18 d), and commits to agree on country-led frameworks to monitor progress and promote mutual accountability and to make results of such exercise public (BPD § 35 a).

The Nairobi Outcome Document reiterated that the principle of accountability is relevant to all Global Partnership stakeholders (NOD § 72), and these same stakeholders have made multiple, reciprocal commitments to improve transparency and accountability towards each other. These commitments reflect an evolution towards ‘collective accountability’, beyond the binary provider-recipient approach, as echoed in recent policy discussions.⁵

What does the indicator measure

This indicator currently measures country progress in establishing the conditions to undertake regular mutual assessment reviews.⁶ The benchmark establishes that countries undertaking these reviews should have clear aid/partnership policies, establish country-level targets, and involve a government-donor joint assessment against those targets. These joint reviews are also expected to engage non-executive stakeholders, and the results of those reviews are expected to be made publicly available. A country is considered to have an inclusive, transparent mutual assessment of progress reviews in place when at least four of the five proposed criteria are met –providing a gradual scoring towards the benchmark.

Overall assessment and lessons learned

The 2016 monitoring round found that while mutual assessment reviews (as defined above) have become more structured, with an increasing number of elements in place. However, only half of the

⁵ See DIE (2017). “[Accountability for development co-operation under the 2030 Agenda](#)”. Bonn: German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE)

⁶ This indicator takes the form of a modified version of indicator 12 of the Survey on Monitoring the Paris Declaration (OECD, 2011) to build on the lessons learned and evidence on national-level mutual accountability (including evidence generated by UNDESA for the United Nations Development Co-operation Forum). Further refinements to the criteria and methodology underpinning this indicator were introduced in 2012 to better capture the extent of involvement of other stakeholders, e.g. including civil society stakeholders and parliamentarians,.

countries met the required criteria. The areas with biggest room for improvement continue to be transparency and inclusiveness.

Middle-income countries particularly struggle to fit mutual assessment reviews within the parameters of traditional development assistance. Their evolving role as partner countries receiving and providing support, an increasing reliance on forms of development finance beyond ODA, and the proliferation of development partners, both official and non-state actors, have increased the complexity of their development co-operation landscape at country level. Similar trends are also increasingly affecting low income countries and countries in special situations.

Established mutual accountability structures formulated on traditional development assistance are unfit for the purposes of 2030 Agenda and the required mobilisation of resources set in the Addis Ababa Action Agenda. Partnerships for the SDGs will likely require whole-of-government and whole-of-society participation, including southern partners, businesses, and philanthropies. In most countries, the type of updated arrangements that could make these mutual accountability processes more relevant to their development finance and partnerships needs are yet to be identified.

In reviewing this indicator, the Monitoring Advisory Group acknowledged that mutual accountability is a central, overarching theme to the monitoring framework, which underpins the implicit theory of change of the Global Partnership (i.e. mutual accountability as a direct incentive for institutional and behavioural change).

To strengthen the usefulness and efficiency of this indicator further, the MAG recommended the following:

- Devise a methodology that captures the degree to which mutual assessments are truly mutual and inclusive;
- Review the indicator to ensure its relevance to emerging partners and different development co-operation modalities (e.g. non-financial technical co-operation);
- Explore ways in which the indicator can initiate dialogue on the need for a cross sector purview and policy linkages/coherence. This could include consideration to measuring the breadth of the discussions of relevant policies in mechanisms for mutual accountability at the country level, and correspondingly engagement of actors in such a mechanism;
- Explore ways in which the indicator can provide useful information about mutual accountability framework and practices in place in development partners (i.e. considering questions directed to development partners).

Possible areas of indicator refinement

The Nairobi Outcome Document calls for updating mutual accountability arrangements at country level to include all relevant development partners, in an inclusive and transparent manner. Further refinement of the indicator will build on this commitment, taking note of the lessons learned and recommendations from the MAG, as well as drawing from recent policy discussion papers and other analytical work.

Possible areas to refine the criteria that define 'mutual accountability' include:

- *Aid/partnership policies.* An updated criterion might expand the scope of 'development co-operation policy' to reflect the breadth of financing and development policies and mechanisms (e.g. related to SDG implementation).
- *Country-level targets.* A revised criterion might explore the mechanisms for country-level target setting for country governments (e.g. do they establish targets for local and subnational levels) and for the increasingly diversity of development partners (e.g. traditional partners, emerging partners, foundations, international and local NGOs);
- *Joint assessment of progress.* An updated criterion could take into account whether the joint assessments of progress towards country-level targets happen on an *ad hoc* basis or are part of broader country-led multi-stakeholder mechanisms focused on national development planning,

monitoring and evaluation of national sustainable development strategies (and/or linked to the national processes for SDG follow-up and review).

- *Multi-stakeholder engagement.* Assessing quality of multi-stakeholder engagement in joint assessment reviews could reflect the breadth of official and non-executive stakeholders that are needed to implement or monitor the implementation of national development strategies or the 2030 Agenda.
- *Transparent processes.* An updated benchmark could assess whether the results of these mutual reviews are made public in a timely manner, and whether they include all the relevant information (e.g. on financing, on development results).

The Global Partnership monitoring could also make the interlinkages between mutual accountability and other indicators more explicit for participants and in reporting the monitoring results (e.g. links with the indicators related to the quality and use of country results frameworks at planning stage, and those related to the enabling environment and engagement with CSOs and private sector).

Proposed way forward

In light of a proliferation of development finance modalities and actors that go beyond the traditional provider-recipient mutual accountability arrangements, it is proposed that the indicator revisions focus on improving the assessment of **adaptations of development co-operation/finance policies and arrangements to the new development co-operation landscape:**

- Complementary work will be necessary to understand which features contribute to greater effectiveness of different approaches, as this is a fast evolving area. For example, an increasing number of countries are establishing comprehensive mechanisms to provide a cohesive oversight and management of the diversity of support they receive, including those countries establishing *integrated national financing frameworks* to support national sustainable development strategies⁷. In addition, the progressive domestication of SDG targets and a growing focus on development results is transforming the focus of collaboration among development partners and the nature of ‘targets’ set at country level. Policies, strategies, and compacts that make the link between development finance and results (e.g. costing) might generate a more conducive environment for meaningful mutual accountability – particularly if these assign a division of labour among development partners and establish regular monitoring arrangements. Defining the relevant features in policies and arrangements will help define relevant criteria that could contribute to meaningful mutual accountability.
- The Joint Support Team will lead technical work with experts from different Global Partnership constituencies to construct a refined measurement methodology. Part of the complementary work might involve consultations on the different dimensions of mutual accountability with relevant stakeholders⁸, including countries engaged in the UN Development Co-operation Forum (DCF)’s [mutual accountability survey](#) as well as countries undertaking or implementing Development Finance Assessments (DFA). These consultations need to engage countries at different stages of development, bilateral and multilateral partners, emerging partners, civil society organisations, philanthropies, private sector representatives, parliamentarians, trade unions and local governments.
- A revised methodological note will be prepared, setting out a refined approach to measure mutual accountability, and submitted for broad external consultation. After reflecting the outcomes of the consultation, a final proposal will be submitted for consideration and endorsement by the Global Partnership’s Steering Committee.

⁷ E.g. including through implementing [Development Finance Assessments](#) (DFA)

⁸ The consultations might be channeled through virtual means, through existing regional or thematic dialogues organised by Global Partnership Steering Committee members or stakeholders, as well as through think tanks and networks.

INDICATOR 8**GENDER EQUALITY AND WOMEN'S EMPOWERMENT****Background**

In the Busan Partnership Agreement, Member States commit to accelerate and deepen efforts to collect, disseminate, harmonise and make full use of data, disaggregated by sex, to inform policy decisions and guide investment to ensure that public expenditures are targeted appropriately to benefit both women and men (GPd §20a). The Addis Ababa Action Agenda further calls on countries to increase transparency and equal participation in the budgeting process, and promote gender responsive budgeting and tracking (AAAA § 30). The Nairobi Outcome Document calls for gender-responsive approaches and targeted action for women and girls in the formulation of all financial, economic, environmental and social policies. It further reinforces the importance of gender-responsive budgeting and tracking, and the critical role of development co-operation actors to support this (NOD § 88a, b; 76 c, d, f).

What does the indicator measure

This indicator seeks to measure government efforts to track and make public resource allocations for gender equality. It does so by encouraging national governments to develop appropriate gender responsive budget tracking systems and to make information about allocations for gender equality publicly available. For the purpose of this indicator, a country is considered to have a system in place, when at least one of three criteria for a tracking system, and a fourth criterion on making the data publicly available, are met.⁹

This indicator has been proposed as a useful basis to measure the SDG target 5.c.1.

Overall assessment and lessons learned

The significant increase in the number of countries reporting on Indicator 8 between 2014 and 2016 monitoring rounds, and the growth in the percentage of countries that report having gender responsive tracking systems in place, demonstrates strong national uptake to monitor progress in this area.¹⁰ The Global Partnership aims to ensure that all forms of co-operation for development are harnessed effectively to leave no-one behind. In this context, this indicator is considered highly relevant given the centrality of gender equality and women's empowerment to development and its importance to the 2030 Agenda (SDG 5: Achieve gender equality and empower all women and girls). The MAG also noted that its focus on budgetary allocations to gender equality complements the broader scope of objectives covered by SDG 5.

To further strengthen the usefulness and efficiency of this indicator, the MAG recommended the following:

- Boosting the rigour of the current methodology by increasing the number of criteria that need to be met to confirm that a country system for tracking gender allocations is in place.
- Exploring ways to make the methodology more inclusive through mutual assessment of existing tracking systems, involving women's rights organisations and other relevant CSOs in the process.

⁹ A system will be in place in the country if at least 1 out of these 3 criteria are met: (1) There is an official government statement on a system for tracking allocations for gender equality and women's empowerment at national or sector level. This can for example be a framework or legislation on gender responsive budgeting; (2) Allocations for gender equality and women's empowerment are systematically tracked over time; (3) There is leadership and oversight of the tracking system by the central government unit in charge of public expenditures (for example the Finance Ministry or a sector ministry). Allocations for gender equality will be made public if criterion 4 is met: (4) Gender equality focused budget information is publicly available. This could be through Parliamentary oversight and civil society scrutiny, publications, websites or other means.

¹⁰ The number of countries reporting on Indicator 8 increased from 35 in 2014 to 81 in 2016. This is also evidenced by the increase in the percentage of countries that report having systems in place to track and make public allocations for gender equality and women's empowerment from 29% in 2013 to 48% in 2015 (scores for the countries reporting in both rounds).

- Exploring complementary ways to reflect efforts by other development co-operation actors to support gender equality and women's empowerment.

Addressing the above concerns will require revising the current methodology and drawing on existing data and information (i.e. OECD Gender Policy Maker; IMF's research project; and on-going work relating to the PEFA framework).

Following the guidance of the Inter-Agency Expert Group for SDGs, UN WOMEN established a inclusive expert group for the methodological refinement of SDG Indicator 5.c.1, which met in March 2017. In the meeting, the expert group discussed lessons learned from implementing the Global Partnership Indicator 8 and reflected on ways to improve the methodology and process. Key highlights from this meeting related to Global Partnership monitoring include:

- There is need to strengthen the criteria that identifies if a country has a system to track resource allocations for gender equality.
- There is a need for more explicit and clearer definitions of key terminology in the monitoring guide to ensure accurate and comparable data from across countries. Additionally, in monitoring guidance, it is necessary to provide examples for each criterion.
- To increase response rate and timeliness, it will be important to ensure that the revised questionnaire is simple and limited in number as much as possible. However, the need to complement quantitative data with qualitative data was underlined.
- The importance of making resource allocations for gender equality public was highlighted.
- There is a need to foster civil society participation in the measurement of the indicator and in data validation.
- There is a need to reflect upon the SDG Indicator 5.c.1 being universal (applied also to developed countries) in terms of monitoring process.

Proposed way forward

This indicator provides useful data and information for the development of SDG Indicator 5.c.1 methodology. The Joint Support Team will work together with UN Women and OECD GenderNet, as the custodian agencies for the SDG Indicator 5.c.1, to further refine the measurement approach, by taking the following actions:

- Review conclusions of the expert group regarding the methodological development of SDG Indicator 5.c.1, following the March 2017 meeting, taking into consideration the MAG recommendations and lessons learned from the 2016 monitoring process.
- Input these conclusions and key areas of consensus into the refined Global Partnership monitoring methodology.
- Reconvene selected members from the Expert Group for additional consultation, as necessary.
- Test revised questionnaire in a set of pilot countries and incorporate feedback into revised methodology.
- Prepare a revised methodological note on the proposed, refined measurement approach for consideration by the GPEDC Steering Committee. The revised methodological note will be submitted for approval to the Inter-Agency Expert Group on SDGs as part of the SDG framework.

It is proposed that this indicator remains within the Global Partnership monitoring framework so that country-level data collection, validation, and inclusive dialogue/engagement will build on country-level multi-stakeholder partnership platforms. It is envisaged that the improved methodology of Indicator 5.c.1 will be adopted to measure Indicator 8¹¹.

¹¹ The revised methodology for measuring Indicator 5.c.1 is expected to be submitted for approval to the Inter-Agency Expert Group on SDG Indicators in the fourth quarter of 2017.

INDICATOR 9

EFFECTIVE INSTITUTIONS: COUNTRY SYSTEMS ARE STRENGTHENED AND USED

Background

The dual indicator 9 has long been recognised as a critical indicator to track the principle of country ownership. It was established in the 2005 Paris Declaration, and reaffirmed in Busan and Nairobi. Countries prioritize progress in the two areas captured by this indicator, as reflected in the exit survey (see Annex 6). Given limited or uneven progress in the past decade, it has been considered as part of the ‘unfinished business’ of the effectiveness agenda in the Annex 2 of the Nairobi Outcome document (NOD).

What does the indicator measure

This indicator is composed by:

- Indicator 9a - Quality of countries’ public financial management systems: This indicator is currently based on the World Bank Country Policy and Institutional Assessment (CPIA). It takes the value of CPIA 13, which offers a measure of the quality of a developing country’s budget and financial management system.
- Indicator 9b - Use of country systems (public financial management and procurement) to deliver development co-operation: This indicator focuses on the use of developing countries’ public financial management (PFM) and procurement systems when funding from development partners is provided to the public sector, relying on the countries’ own rules and procedures for four country systems: budget execution, financial reporting, auditing and procurement.

Overall assessment and lessons learned

9a - Quality of countries’ public financial management systems

Strengthening government institutions has been enshrined in the 2030 Agenda, as part of SDG-16. Establishing functioning, reliable public management institutions is a critical governance prerequisite for effective development co-operation, and sustainable development in general. Nevertheless, the methodology used by the Global Partnership to measure the quality of country systems, borrowed from the Paris Declaration monitoring surveys, have been subjected to a review during the past three years. Some highlights from the review include:

- Partner countries and other stakeholders have expressed concerns regarding the use of CPIA-13 as a basis for the assessment of quality of public financial management. One element of concern is the limited actionable and disaggregated information that CPIA-13 offers, as compared with other measurements such as the assessments of the Public Expenditure and Financial Accountability (PEFA) initiative. Another observation notes the subjective nature of these assessments, carried out by in-country World Bank staff. A final issue relates to the limited variance of CPIA scoring over time, and the confidentiality of scores for countries that gain access to the International Bank for Reconstruction and Development (the non-concessional branch of the World Bank).
- Given these concerns, the [Effective Institutions Platform](#) and the [Collaborative African Budget Reform Initiative](#) (CABRI), together with countries and development partners, explored alternative measurements to capture the quality of public financial management in participating countries during 2014-2015.¹² Alternative approaches using PEFA were suggested. The advice from the MAG also supports the growing consensus suggesting that using selected PEFA

¹² See for example EIP (2015). [Policy Brief: Revised Indicator 9a for the Global Partnership Monitoring Framework](#). March 2015. Paris: Effective Institutions Platform.

indicators might be a better way to track the quality of countries' core public financial management institutions.¹³

- Feedback received also suggested expanding the concept of 'country systems' to include other non-fiduciary dimensions. For example, echoing other NOD commitments, there may be adequate to include additional measures of budget openness and transparency. The presentation of results could also reflect the improvement of governments' systems for strategic planning, statistical systems, and monitoring and evaluation systems – thus providing a full picture of the quality of core public institutions across the whole policy cycle.

9b - Use of country systems (PFM and procurement) to deliver development co-operation

This indicator, reported since 2005, is very appreciated by participating countries (see Annex 6), and development partners have recently recommitted to pursue that goal. They recommitted to “use country systems” in the NOD. The 28 members of the European Union also committed to “promote the use of partner country systems for public financial management throughout the budget cycle, including procurement systems” in the [European Consensus on Development](#) approved in June 2017 (¶193).

Some of the recommendations made by the MAG include:

- Keeping the indicator, finding ways to strengthen the quality of reporting by development partners, and the ability of participating countries to validate the information on use of the different country systems.
- Capturing the share of development co-operation flows that do not pass through the government (e.g. directly to the private sector or non-state actors), to keep a relative measure of the extent to which development co-operation is channelled through, or bypass, government institutions.
- Exploring ways to unpack the challenges and provide more qualitative information regarding the constraints for using country systems –including a better understanding of the development partners' policies, criteria and practices at headquarters and country office level in making use of specific country systems.

Proposed way forward

The Joint Support Team will work together with the Effective Institutions Platform, CABRI and the PEFA secretariat in order to improve the methodology for indicator 9a and 9b. Broad consultation and country testing will help refine the approach. Feedback received and lessons learned from the previous monitoring round will be considered too. A proposal will be submitted for broad consultation before final submission to the Steering Committee of the Global Partnership.

¹³ See ODI (2016). [PEFA: What is it Good For?](#). London: Overseas Development Institute.

INDICATOR 10**DEVELOPMENT CO-OPERATION IS UNTIED****What does the indicator measure**

This indicator focuses on the tying status of development co-operation. Untying official development assistance (ODA) increases development co-operation effectiveness by reducing transaction costs for partner countries, by providing better value-for-money, and by improving country ownership. Loans and grants whose proceeds are fully and freely available to finance procurement including suppliers from all countries are considered untied development co-operation. Loans and grants which are tied, contractually or in effect, to procurement of goods and services from a restricted number of countries are considered to be partially untied aid. All other loans and grants are classified as tied aid, whether they are tied formally or through informal arrangements.

The OECD DAC provides aggregated estimates on tied ODA, both for DAC bilateral development partners and for countries receiving ODA.¹⁴

Overall assessment and feedback received for revising the indicator

Untying aid remains an important indication of developing country ownership over the allocation of aid resources to address their development priorities. However, the Monitoring Advisory Group observed that relevant indicator methodological improvements are required to more accurately reflect the realities of the tying status of development co-operation to provider interests and entities (*de facto* tying).

Other considerations posed by the MAG include reflecting the extent to which goods and services procured in partner countries are encouraged by procurement practices, and how these link to the assessment of informal tying practices.

Proposed Way Forward

The data source for this indicator is the OECD-DAC statistics on untied ODA, which is used by DAC bilateral providers of development co-operation to self-report on their tying status. The Joint Support Team will continue collaborating with this group of development finance statisticians in order to refine the indicator and to obtain the necessary disaggregated data.

As the OECD Secretariat in charge of assessing aid untying continues to carry out consultations during 2017 on the current methodology for aid untying, the Joint Support Team will closely work in refining the levels of reporting of untied aid (e.g. formal vs *de facto*) which could incentivise greater action by development partners.

¹⁴ See <http://www.oecd.org/dac/untied-aid/>